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In the
Supreme Court of the United States

OREN TAVORY,
Petitioner,

v.

NTP, Inc.,
Respondent.

On Petition for Writ of Certiorari to the United States Court of Appeals for the Federal Circuit

PETITION FOR WRIT OF CERTIORARI

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Questions Presented

In the spring of 1990, while providing contract services for Telefind Corporation, Oren Tavory conceived of and reduced to practice through a computer program that he wrote, a way to push emails from an email system to a wireless paging network. A year later Telefind went out of business and Tavory moved on. After he left, and without Tavory's knowledge, the founders of NTP, Inc. applied for patents embodying Tavory's code. NTP never practiced the inventions, but it infamously enforced them against Research in Motion, makers of Blackberry® pagers.

After discovering this, Tavory sued NTP under Section 256 of Title 35 to be named as a co-inventor to the patents. On NTP's motion for summary judgment, Tavory filed the declarations and depositions of 11 witnesses who corroborated that Tavory conceived of and reduced to practice the push technology, known as the interface switch in the patent claims. On appeal of the summary judgment granted to NTP, the Federal Circuit held that Tavory failed to establish a disputed issue of material fact showing that his inventive contribution to the patents-in-suit was not in the prior art and or that Tavory was a co-inventor.

The questions presented are:

1. Whether the Federal Circuit has created an impossible burden to overcome summary judgment in a suit to be added as a co-inventor to a patent under 35 U.S.C. §256 by (1) requiring proof that the co-inventor's contribution to the invention is not in the prior art and (2) refusing to find that evidence of reduction to practice created an issue of material fact to satisfy an enabling disclosure requirement?

2. Whether a *co-inventor* of a patented invention, who has been deprived of the rights and benefits of *co-ownership* of legal title to such patent by omitting him from the patent, have an equitable remedy under the Patent Act and federal common law for disgorgement or other equitable remedies against a co-owner who profited from infringement suits brought without the co-inventor's knowledge or participation?

List of Parties and Corporate Disclosure

Pursuant to Rules 14.1(b) and 29.6, the following list identifies all of the parties to the appellate proceeding in the United States Court of Appeals for the Federal Circuit, whose judgment is sought to be reviewed:

Petitioner Oren Tavory is an individual, and was the Appellant in United States Court of Appeals for the Federal Circuit and was the Plaintiff before the United States District Court for the Eastern District of Virginia.

Respondent NTP, Inc. is a Virginia corporation, and was the Appellee in the United States Court of Appeals for the Federal Circuit and the Defendant before the Eastern District of Virginia.

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PETITION FOR WRIT OF CERTIORARI

Petitioner Oren Tavory ("Tavory") respectfully petitions for a writ of *certiorari* to review the judgment and opinion of the United States Court of Appeals for the Federal Circuit in *Tavory v. NTP, Inc.*, 2008 WL 4710761, No. 2007-1527 (Fed. Cir. Oct. 27, 2008) (A.1).

Opinions Below

The United States District Court for the Eastern District of Virginia granted NTP summary judgment on Tavory's inventorship claim. *Tavory v. NTP, Inc.*, 495 F.Supp.2d 531 (E.D. Va. 2007) (A.25). Prior to the Summary Judgment ruling, the district court dismissed Tavory's unjust enrichment claim in an unpublished opinion. (A.49). The district court also denied Tavory's motion for leave to file an amended complaint in an unpublished opinion. (A.45). The United States Court of Appeals for the Federal Circuit upheld all three orders, over a concurrence of the Honorable Pauline Newman pointing out that the court's reasoning strayed from its precedent, in an unpublished opinion dated October 27, 2008. (A.1). That opinion is available at 2008 WL 4710761. Tavory did not move for rehearing.

Jurisdictional Statement

This Court's jurisdiction arises pursuant to 28 U.S.C. § 1254(1). This Petition is timely filed pursuant to Supreme Court Rule 13.1.

Constitutional Provisions and Statutes at Issue

This Petition request the Court to review the Federal Circuit's application of the following provisions of the Patent Act: 35 U.S.C. § 256 ("Correction of Named Inventor") (A.112), 35 U.S.C. § 262 ("Joint Owners") (A.112), 35 U.S.C. § 116 ("Inventors") and 35 U.S.C. § 281 ("Remedy for infringement of Patent") (A.113).

Statement of the Case

A. Tavory Conceives the Interface Switch

In the spring of 1990, Tavory, a developer of software operating on the UNIX operating system platform under contract with Telefind Corporation, conceived of programmatically receiving emails from an email server and pushing them to a wireless network. His invention is embodied in a software program which he authored that is disclosed in the

patents-in-suit as the "interface switch."[1] The following year Telefind failed, and Tavory moved on. After he left, Telefind's patent attorney, Donald Stout, filed applications on behalf of Tom Campana for patents embodying Tavory's interface switch concept and program, which ripened into the patents-in-suit.

Campana later assigned the patents-in-suit to NTP, a patent holding company formed by Campana and Stout. Campana was the vice president of engineering for Telefind, which owned and operated a national paging network. Campana also was president of a company which provided engineering services to Telefind. The Patents-in-Suit list Campana and ESA's two programmers, Mike Ponschke and Gary Thelen, as the sole co-inventors of the technology claimed in the Patents-in-Suit.[2]

Years later, NTP sued a Canadian company called Research in Motion for infringing one or more of the patent-in-suit (the "Blackberry Litigation") for its use of technology that pushed emails to its popular Blackberry® handheld devices. *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282, (Fed. Cir.

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[1] This was undisputedly a "vital component" of the invention claimed in the patents-in suit. (A.8).

[2] Ponschke and Thelen wrote the programs that interface between the RF receiver (a pager in the Telefind paging network) and destination processor (a laptop computer). Tavory wrote the program that operates as the interface switch. (the "Tavory Push Program"). A.10.

2005), *cert. denied*, 546 U.S. 1157 (2006). Tavory was subpoenaed to give, and gave, a three hour deposition in that case but otherwise had no knowledge or involvement with it. He was never told that his concept and push program were at the heart of that infringement litigation. The jury in that case found that RIM infringed the NTP patents through its use of an interface switch and the Federal Circuit affirmed.

RIM, under threat of an injunction to shut down its popular Blackberry network, later reached a highly publicized settlement with NTP.[3] Tavory read about the settlement and the basis for the lawsuit and learned, for the first time, that it was based upon his invention. (A.29).

B. Tavory Files Suit

On September 20, 2006 Tavory sued NTP for Correction of Named Inventor on U.S. Patent Nos. 5,436,960; 5,438,611; 5,625,670; 5,631,946; 5,819,172; 6,076,451; and 6,317,592 ("the Patents-in-Suit"), and for Copyright Infringement and Unjust Enrichment. (A.96).

On December 26, 2006, the District Court granted NTP, Inc.'s ("NTP") motion to dismiss Plaintiff's

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[3] *See, e.g.*, Damien Myers, Notes, *Reeling in the Patent Troll: Was eBay v. MercExchange Enough?*, 14 J. INTELL. PROP. L. 333, 334 (describing procedural history of the Blackberry Litigation).

unjust enrichment count (A.49), ruling that the Patent Act, 35 U.S.C. § 1, *et seq.*, preempted his unjust enrichment claim, even though the Complaint alleged that Tavory disclosed the push software to Campana "on a confidential basis."[4] (A.52-54). The trial court held that Tavory's claim was nonetheless preempted because he was not seeking to be named sole inventor, but merely a co-inventor. (A.53-54). Relying on 35 U.S.C. § 256, the court also held that co-inventors are not owed an accounting. (A.54).

Tavory moved to amend his complaint on February 6, 2007 (A.56-95), to allege a claim for equitable relief under the federal common law, arguing that an unnamed co-inventor has only equitable title to a patent, and as such, has an equitable claim against the owners of legal title to the patent. *Arachnid, Inc. v. Merit Industries, Inc.*, 939 F.2d 1574, 1579. (Fed. Cir. 1991). The court denied the motion to amend on March 6, 2007, calling the claim for federal equitable relief futile, (A.45-48).

C. The Extensive Evidence Proffered at Summary Judgment

At the close of discovery, NTP moved for summary judgment on, *inter alia*, the issue of

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[4] Except for the award of attorney's fees, Tavory did not appeal the District court's holdings on Tavory's copyright claims. Thus for brevity, this petition omits discussion of the copyright issues.

whether Tavory had sufficient corroboration to prove co-inventorship. (A.41-44). Tavory submitted substantial testimonial evidence to corroborate his own testimony that he *conceived* the interface switch. (*See, e.g.*, A.114-158).[5]

1. Eyewitness Testimony

Tavory filed the declaration and deposition testimony of Russell Dennert, a former Telefind employee who supported its computer systems. (A.117-119;A.142-152). Dennert testified that (1) he had a discussion with Tavory in early 1990 wherein Tavory came up with the idea of sending emails wirelessly to a pager; (2) Tavory "came up with the idea we should send our emails to the pagers, how we do it"; (3) Tavory "took it upon himself to make emails magically appear on peoples pagers"; Tavory "created a wireless email system" and "is the inventor of the technology that sends emails to the pagers"; (4) he supplied technical information to Tavory as Tavory created the wireless email system and (5) he saw Tavory successfully demonstrate his invention and (6) he saw "Tavory congratulated at Telefind for "creating and inventing the wireless email system." *Id.*

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[5] The materials submitted with this Petition are only a small excerpt of the testimonial and other evidence Tavory submitted in opposition to summary judgment. The full summary judgment briefing is in the Joint Appendix filed with the Federal Circuit.

Tavory filed the declaration and deposition testimony of Ted Andros, former Executive Vice President of Telefind. (A.119-120; 152-158). Andros testified that Tavory "invented a way to send emails from computers to pagers" (A.152-53) and "conceived of sending emails to his pager for... several purposes, one of which was to receive the reports interrogating the status of the distribution network that we had [at Telefind]." (A.153).

Tavory filed the declaration of Mike Ponschke, who is named on the patents-in-suit as an inventor. (A.116). Ponschke stated that "Tavory is an inventor of that [wireless email] technology. He created the part of the technology that pushes an email from a computer to the Telefind pager."

Tavory also submitted the deposition testimony of Thelen, another co-inventor named in the patents-in-suit, who testified that someone from Telefind conceived the idea of sending emails to pagers.[6] Ponschke and Thelen were positive that they (a) never participated in a meeting with Campana in which the idea of sending emails to pagers was conceived, (b) did not conceive that idea, and (c) never heard Tom Campana or anyone else claim that Campana conceived that idea.

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[6] Before he passed away, Thomas Campana testified that he, Ponschke and Thelen conceived of the idea of sending emails to the wireless paging system during a meeting at ESA in July, 1990.

Tavory filed the declaration of Telefind's former Accounting Manager, who stated that "Tavory invented a way to send emails to pagers in the Telefind paging network," that he saw it in operation and that "Tavory got the credit at Telefind for coming up with the idea of this wireless email technology that pushed emails to the Telefind pagers and for creating the technology that enabled his wireless email concept to work." (A.132).

Tavory filed the declaration of Beverly Clair, the Network Coordinator for Telefind, who stated that "Tavory invented a way to send emails from computers to pagers" and that she saw Tavory demonstrate this. (A.120).

Tavory filed the declaration of Doug Olson, a former Telefind programmer who sat next to Tavory at the Telefind office. (A.124). He stated that "Tavory created software that allowed him to send emails to his Telefind pager" and that Tavory explained to Olson what he was doing "as he wrote the code." (A.124-25). [7]

2. Evidence of Reduction to Practice.

Tavory also submitted evidence that he had reduced his idea to practice. Nearly all of the

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[7] Tavory also filed the declarations of three more former Telefind employees who gave similar statements supporting his inventorship claim. (A.922-A.928)

witnesses testified that they saw Tavory demonstrate his ability to send an email to his pager using his invention soon after Tavory started at Telefind in late 1989 or early 1990. (A114-58).

Tavory also filed the declaration of David Levine, a computer consultant, who testified that Tavory showed him (a) a prototype of his invention that sent emails messages wirelessly from Telefind's computers to pagers and (b) the source code he had written to make his invention work, which provided a filtering function. (A.153-A.154).

Tavory also filed the expert report of Dr. Martin Kaliski, an electrical engineer who stated that the interface switch was novel and not in the prior art. (A.134-42).

Finally, Tavory filed the patent applications themselves, which contain the code authored by Tavory.[8] Tavory testified that the code contained in the patent applications reflected only minor variations from his prior, operative versions of the

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[8] Tavory's initials appear in the comment section of the code and his name appeared as "author" of the code in the program appended to Campana's application for the '960 patent. Campana later removed Tavory's name from Tavory's program so that the Tavory program appended to the Patents in Suit includes Tavory's initials but not his name. Campana also inserted the legend "Copyright Thomas Campana, Jr. 1991," to Tavory's code as appended to the Patents-in-Suit, although Campana did not write any of the code.

code, which several witnesses had either viewed portions of, observed Tavory demonstrate, or had themselves used.

3. The Diverging Opinion of the district and circuit courts.

The District Court granted NTP's summary judgment motion on May 16, 2007, finding that the technology testified to by Tavory's corroborating witnesses "was not capable of receiving wireless email transmissions." (A.43). On July 17, 2007, the court issued a memorandum opinion explaining its decision (A.25).

The Federal Circuit affirmed, but on grounds different from those relied upon by the district court (and never argued). The Federal Circuit correctly found that the technology testified to by Tavory's corroborating witnesses was capable of receiving "email from a computer terminal," correcting the error made by the District Court. (A.11). The Federal Circuit, however, then held that to survive summary judgment, a putative co-inventor must provide evidence, *beyond what is on the face of the issued patents*, that his contribution to the invention was not in the prior art. *Id.* The Court did not cite to any authority to support this new requirement to proving co-inventorship.

On the one hand, the Federal Circuit holds that an idea is "sufficiently definite and permanent" when

"only ordinary skill would be necessary to reduce the invention to practice, without extensive research or experimentation." *Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F.3d 1456, 1460 (Fed. Cir. 1998), citing *Burroughs Welcome Co. v. Barr Lab Inc.*, 40 F.3d 1223, 1228 (Fed. Cir. 1994). On the other hand, the Federal Circuit held that failing to prove that the interface switch "was the result of anything more than the exercise of ordinary skill" was fatal to Tavory's inventorship claim. (A.8-9).[9]

The Federal Circuit also held that to prove that his conception was sufficiently fixed and permanent, Tavory had to prove an enabling disclosure of *the portion* which he contributed, contrary to its own precedent. Then it held that to prove his conception was sufficiently fixed and permanent by evidence of reduction to practice, he had to prove reduction to practice of the *entire* invention.

The Federal Circuit held that Tavory's corroborating evidence of contribution to the patented invention could not survive summary judgment and, contrary to its own precedent, that the testimony of a named co-inventor that Tavory did conceive the patented idea was insufficient to raise a material question of fact as to inventorship. *See*

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[9] In addition to misapplying the law, the Federal Circuit also overlooked the Kalinski Report, which states that the interface switch is not in the prior art and explains why it is not. (A.132-42).

Pannu v. Iolab Corp., 155 F.3d 1344, 1347 (Fed. Cir. 1998)(named inventor's admission that putative inventor contributed idea was sufficient to create a jury question on co-inventorship).

As to the unjust enrichment and equitable remedies, the Federal Circuit recognized the allegation of "confidentiality" in the Complaint, but held that because there was no fraud, there could be no unjust enrichment. Relying on a single line in *Ultra-Precision Mfg., Ltd. v. Ford Motor Co.*, 411 F.3d 1369, 1376 (Fed. Cir. 2005), the Federal Circuit concluded that there was no incremental benefit to the named inventors from using Tavory's *confidential* material because as a co-inventor, Tavory could not have stopped NTP from exploiting the patents. (A.14-19). The court also held that there was no federal equitable remedy against a patent owner available to a co-inventor who was omitted from the patent and denied his right to participate in successful litigation for the infringement of that patent.

Reasons for Granting the Writ

Co-inventors need clear guidance from this Court setting forth the standard to be met to prove co-inventorship under Title 35, Section 256. Rather than advancing the law in what one commentator has called the "notoriously slippery context" of joint

inventorship,[10] the Federal Circuit's decision further obscures what must be proven to establish co-inventorship.[11]

The confusing state of joint inventorship law and the courts' difficulties with reconciling 35 U.S.C. § 116 definition of joint inventorship with the standard for *post-hoc* establishment of joint inventorship under 35 U.S.C. § 256, creates uncertainty – particularly in complicated areas of science where collaboration amongst multiple practitioners of various seniority levels is the norm. The Court's clarification of joint inventorship standards would benefit corporate patent owners, research universities, emerging inventors, and the public as a whole, thus providing all stakeholders with greater certainty in advancing our country's collective body of knowledge.

The Federal Circuit also took patent preemption to such an extreme as to leave displaced co-inventors no remedy against those who obtain patents on inventions that are not entirely their own, and then

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[10] Joshua Matt, Note, *Searching for an Efficacious Joint Inventorship Standard*, 44 B.C. L. REV. 245, 245 (Dec. 2002).

[11] *See Tavory v. NTP, Inc.*, No. 2007-1527 (October 27, 2008)(Newman, C.J., concurring in result only)("This court, in finding that Mr. Tavory is not a joint inventor, propounds several purported rules of joint inventorship....but we are not told how [majority opinion's reasoning] negates Mr. Tavory's claim to have contributed a novel element to the claimed invention.")(A.23).

use those patents not to service our nation through production of innovative products, but rather to prevent others from doing so without paying hefty license fees and litigation costs.

Because of our Constitution's command that inventors be incentivized to "promote the progress of science and the useful arts," Art. I, § 8, Cl. 8, this Court should review the Federal Circuit's decision to ensure that a clearly defined, equitable balance is struck in considering a co-inventor's claims, particularly in the context of summary judgment.

I. THE FEDERAL CIRCUIT HAS CREATED AN IMPOSSIBLE BURDEN UPON PLAINTIFFS TO OVERCOME SUMMARY JUDGMENT IN A SUIT TO BE ADDED AS A CO-INVENTOR TO A PATENT UNDER 35 U.S.C. § 256 BY (1) REQUIRING PROOF THAT THE CO-INVENTOR'S CONTRIBUTION TO THE INVENTION IS NOT IN THE PRIOR ART AND (2) REFUSING TO FIND THAT EVIDENCE OF REDUCTION TO PRACTICE CREATED AT LEAST A DISPUTED ISSUE OF MATERIAL FACT REGARDING WHETHER THE CO-INVENTOR'S CONTRIBUTION TO THE CONCEPTION OF THE INVENTION WAS SUFFICIENTLY "FIXED AND PERMANENT."

In 1984, Congress clarified that any person who assisted in the development of an idea, or parts thereof, is an inventor who must be named on a patent. 35 U.S.C. §116. Such joint inventors need not "physically work together or at the same

time...make the same type or amount of contribution, or make a contribution to the subject matter of every claim of the patent." *Id.* The statute was intended to correct pitfalls for patentees that did not serve the public good, and "recognizes the realities of modern team research." 130 Cong. Rec. 28,069-71 (1984)(statement of Rep. Kastenmeier).

While 35 U.S.C. §116 recognized the collaborative nature of modern invention, the Patent Act also provided a safety valve, recognizing that mistakes are sometimes made in the listing of co-inventors to an invention. In 35 U.S.C. § 256, Congress allowed that "Whenever ...through error an inventor is not named in an issued patent and such error arose without any deceptive intention on his part, [t]he court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned." *Id.*

The "critical question for joint conception is who conceived, as that term is used in the patent law, the subject matter of the claims at issue." *Ethicon, Inc. v. U. S. Surgical Corp.*, 135 F.3d 1456, 1460 (Fed. Cir. 1998). Indeed, conception "is the touchstone of invention." *Id.* "Conception is the formation in the mind of the inventor, of a definite and permanent idea of the complete and operative invention." *Id.*

Both the Patent Act and Federal Circuit precedent make clear that an inventive contribution

to a single patent claim is sufficient to establish joint inventorship. 25 U.S.C. § 116; *Ethicon*, 135 F.3d at 1460. ". . . each [inventor] needs to perform only a part of the task which produces the invention. *Id.*

The Federal Circuit in this case acknowledged that in the case of a joint invention, "no individual co-inventor need have 'a definite and permanent idea of the complete and operative invention' so long as all of the co-inventors collectively satisfy that requirement." (A.7) citing to 35 U.S.C. §116. Yet the court then wrote that the question in this case is "whether conception of the interface switch was more than just the exercise of ordinary skill." (A.8). The court then held that Tavory's co-inventorship claim failed because he "has not established that the interface switch itself was not in the prior art." (A.9).[12]

This cannot be correct because the novelty and non-obviousness requirements of the Patent Act apply to claims as a whole, not to individual elements. *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007). (Section 103(a) forbids issuance of a patent when "the differences between the subject matter sought to be patented and the prior art are such that the *subject matter as a whole* would have been obvious at the time the invention was made to a

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[12] The court clearly overlooked Dr. Kalinski's report, which states that the interface switch was not in the prior art. (A.134-42).

person having ordinary skill in the art to which said subject matter pertains.") (emphasis added); *see also United States v. Adams*, 383 U.S. 39, 50 (1966)(novelty is determined by whether the new combination is novel). The court cited no precedent for this new requirement.

The Federal Circuit also held that even if Tavory had proven that the interface switch was novel, Tavory failed to provide sufficient evidence that he "*conceived* of the interface switch." (A.10)(emphasis in original). In doing so, the court failed to apply its own precedent that "reduction to practice can be the most definitive corroboration of conception." *Burroughs Wellcome Co. v. Baer Laboratories*, 40 F.3d 1223, 1229 (Fed. Cir. 1994). Moreover, this Court has held that reduction to practice establishes conception. *Pfaff v. Wells Electronics, Inc.*, 525 U.S. 55, 66 (1998).

The evidence in this case is that after Tavory conceived of a program that would interface between an email server and a radio frequency paging network and push emails to pagers on that network, he wrote the computer program, showed the program to others as he was writing it, and upon its completion demonstrated that he could send an email from a computer and push it to a pager. Moreover, nearly all of Tavory's corroborating witnesses testified that they saw Tavory's invention

reduced to practice before the time Campana claimed to have conceived of the invention.

This should be enough to create a material question of fact as to the enabling disclosure requirement to corroborate inventorship. An enabling disclosure of the invention is required to show that the conception is sufficiently "fixed and permanent." *Burroughs Wellcome Co.*, 40 F.3d at 1229. Tavory's proven ability to send an email and push it to a pager necessarily proves that his idea of connecting the email and wireless pager worlds through a program that would push the email to the pager was sufficiently "definite and permanent."

The Federal Circuit muddied the waters on what enabling disclosure is required to corroborate co-inventorship. First, it held that a putative co-inventor must "make a contemporaneous disclosure that would enable one skilled in the art to make *the invention,*" (A.8) citing *Burroughs Wellcome Co. v. Baer Laboratories*, 40 F.3d 1223, 1229 (Fed. Cir. 1994). Then the court held, without citing any authority, that a co-inventor's "contemporaneous disclosure must enable a skilled artisan to practice *the portion of the invention that the co-inventor contributed.*" (A.8)(emphasis added). The Patent Act and cases interpreting it, however, require only an enabling disclosure sufficient to make the

"invention", not to make the portion of the conception of the invention contributed by the co-inventor. *Id.* [13]

After setting up an inconsistent test for whether Tavory made an enabling disclosure that would corroborate his contribution to conception of the invention, the Federal Circuit then faulted Tavory for not submitting evidence that he had reduced the *entire* invention to practice. (A.12). The court acknowledged that, it is "undisputed that [Tavory] wrote the source code appended to the eventual patent application as an embodiment of the interface switch," and thus he "clearly contributed significantly to the reduction of the claimed invention to practice by reducing the interface switch to practice." (A.8). Apparently, what Tavory failed to reduce to practice, was an email system, a radio frequency paging network and a device that transmitted an email from a pager to a computer, which are the elements of the claims that he did not invent.

Since Tavory does not claim to have created those parts of the wireless email invention, he should not be required to show that he reduced those parts of the patent claims to practice. The point of proving

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[13] Tavory satisfied that requirement in any event because it is undisputed that he showed the push software that he authored to others as he was writing it and ultimately a version of his code was appended to the '960 patent. (A.10; A.114-52).

reduction to practice is only to corroborate that your contribution to the conception of the invention was sufficiently "fixed and permanent." Tavory met that evidentiary burden with the undisputed corroborating evidence that he wrote the push software and that the software was successfully demonstrated pushing emails to the pagers on the wireless network, all months before the time Campana claimed to have conceived of the invention. Such evidence alone should be enough to create a triable issue of fact on co-inventorship. *Burroughs Wellcome Co. v. Baer Laboratories*, 40 F.3d 1223, 1229 (Fed. Cir. 1994). ("The reduction to practice can be the most definitive corroboration of conception.")

Whether an inventor's testimony has been sufficiently corroborated is evaluated under a "rule of reason" analysis. *Ethicon, Inc. v. U. S. Surgical Corp.*, 135 F.3d 1456, 1460. This requires "an evaluation of all pertinent evidence . . . so that a sound determination *of the credibility* of the [alleged] inventor's story may be reached." *Id.* (emphasis added).[14] In addition to evidence of reduction to practice, the requisite corroborating evidence may include "oral testimony of someone other than the alleged inventor." *Id.* at 1461; *Gemstar-TV Guide Intern., Inc. v. International Trade Com'n*, 383 F.3d

[14] Neither the District Court nor the Federal Circuit correctly applied the standard for summary judgment; both courts failed to construe all inferences in favor of Tavory, the non-moving party.

1352, 1382 (Fed. Cir. 2004); *Medichem S.A. v. Rolabo S.L.*, 437 F.3d 1157, 1170 (Fed. Cir. 2006). "Independent corroboration may consist of testimony of a witness, other than the inventor, to the actual reduction to practice or it may consist of evidence of surrounding facts and circumstances independent of information received from the inventor." *Id.* at 1171.

A. The Sworn Testimony of Eleven Disinterested, Competent Witnesses Corroborates Tavory's Co-Inventorship Claim.

Tavory's claim that he conceived the idea of sending emails to pagers in the Telefind RF paging network and that he created the means to do so, is corroborated by the sworn deposition testimony and/or declarations of eleven independent witnesses, eight of whom were employed at Telefind in 1990 and two of whom were employed at ESA and are named co-inventors on the Patents-in-Suit. Such oral testimony by persons other than the inventor is sufficient to corroborate Tavory's co-inventorship claim. *Ethicon*, 135 F.3d at 461; *Medichem*, 437 F.3d at 1170; *Gemstar*, 383 F.3d at 1382.

The testimony of the two named co-inventors, Ponschke and Thelen, alone should be enough to create a triable issue of fact of co-inventorship. *Pannu v. Iolab Corp.*, 155 F.3d 1344, 1347 (Fed. Cir. 1998)(named inventor's admission that putative

inventor contributed idea was sufficient to create a jury question on co-inventorship).

The testimony of Russell Dennert that he was with Tavory when Tavory "came up with the idea" to send emails to his pager in early 1990 (A.117-19; A.142-151), and his active participation with Tavory immediately thereafter providing technical computer information which Tavory needed to create the code should be enough to create a triable issue of fact on Tavory's co-inventorship claim. *Id.* Only weeks after giving those formats to Tavory, Dennert saw Tavory demonstrate sending an email to his pager and Dennert and other Telefind employees used Tavory's invention to send emails to their pagers. (A.145-46). Moreover, he corroborated that Tavory invented this technology in early 1990, months before the date Campana claims to have jointly conceived the idea with Ponschke and Thelen. (A.117-19; A.142-51).

The timing of Tavory's conception and reduction to practice prior to the AT&T laptop project is important because the District Court, in granting summary judgment against Tavory, relied upon testimony of Campana that Tavory's efforts related to the invention were limited to writing code as part of the Telefind laptop project (which is the AT&T laptop project) at the direction of Campana, Ponschke and Thelen. (A.43). The District Court then remarked, erroneously, that "The Plaintiff did not attempt to rebut these assertions." *Id.*

Tavory not only attempted to rebut them; he showed with sworn testimony that Campana's assertions had no basis in fact. Thelen and Ponschke testified that they did not supervise or direct any of the work at Telefind and lacked the technical expertise to do so. (*See, e.g.,* A.116-17). They testified that Telefind, not ESA, was responsible for integrating an email system with the paging network, and that no one at ESA – not Campana, not Thelen, and not Ponschke – knew how to integrate an email system to the Telefind paging network. Thelen testified, ESA was "not really concerned" with the part of the technology that pushed emails to the Telefind network. ESA was concerned only with taking emails from a pager to a laptop computer.

Dennert, Andros, and Clair corroborated that Tavory conceived of and reduced to practice the idea of pushing emails to pagers long before the AT&T laptop project. *(See e.g.,* A117-21). So, any direction from ESA to Tavory concerning coding for that project is irrelevant to deciding whether Tavory contributed to the conception of any claims in the Patents-in-Suit.

The Federal Circuit's test for a co-inventor to survive summary judgment on a Section 256 claim is inconsistent and unduly harsh. Tavory's claim failed the test notwithstanding the testimony of 11 independent, corroborating witnesses, including testimony that Tavory "conceived" of the invention

(Andros), "came up with the idea (Dennert), invented the technology that sends emails to pagers (Dennert, Andros, Clair, Weitzner, Ponschke, Olson, Pope and Levine), wrote the push software which embodies the interface switch and shared it with co-workers and a consultant as he did so (Olson and Levine), and successfully demonstrated his invention in operation after reducing it to practice. (Dennert, Andros, Clair, Weitzner, Ponschke, Olson, Pope and Levine). Requiring a putative co-inventor to prove more to survive summary judgment on a Section 256 claim (*e.g.*, that his contribution is not within prior art, that he has made an enabling disclosure of his contribution and that he has reduced to practice the entire invention) places an impermissible burden on co-inventors who have been left off of the patent. In a technology based economy where joint invention is the rule, not the exception, the impact of such an onerous standard is far reaching.

II. THE WRIT SHOULD BE GRANTED TO ENSURE THAT DISPLACED CO-INVENTORS HAVE A REMEDY TO RECOVER THE PROCEEDS OF ENFORCEMENT LITIGATION FROM WHICH THEY WERE WRONGFULLY EXCLUDED.

The Federal Circuit held that even assuming Tavory was a co-inventor, he has no remedy against NTP that would allow him to reach a portion of the over $600 million dollar settlement NTP extracted in the Blackberry Litigation. (A.14-22). The Court's flawed logic in so holding is simple. The Court held

that because Section 262 allows a co-owner to license a patent "without accounting to the co-owners," and NTP as a co-owner could have achieved a license/settlement with RIM without accounting to Tavory. *Id.*

But this statement ignores the Federal Circuit's prior holding that "[t]he grant of a license by one co-owner cannot deprive the other co-owner of the right to sue for accrued damages for past infringement." *Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F3d 1456, 1467 (Fed. Cir. 1998). For this very reason, all co-owners must join as plaintiffs in infringement actions. *Id., citing Waterman v. Mackenzie*, 138 U.S. 252, 255 (1891).

These competing interests make clear NTP was unjustly enriched by depriving Tavory of the benefit of being a party to the Blackberry Litigation, while receiving the benefit of being the sole party to that suit, in the form of what could only logically be a greater settlement than NTP would have secured if RIM has known that a putative co-owner was not a party to the suit and thus still had power to bring yet another enforcement action. While Section 262 is no impediment to preventing an accused infringer from settling piecemeal with unaligned co-inventors, basic economics dictates that a settlement with any one co-inventor must inevitably be smaller than the total payout for a global settlement would be.

A. Allowing State Law Unjust Enrichment Claims to be Preempted by Section 262 eviscerates the requirement that all patent owners be joined in litigation to enforce the patent.

Taking Tavory's fact allegations as true, he has always been a "co-inventor" of the NTP patents. Because he is not named as an inventor of the Patents-in-Suit, however, he has never been an "owner" of legal title to those Patents. *See Sewall v. Walters*, 21 F.3d 411, 417 (Fed. Cir. 1994) (*quoting Beech Aircraft Corp. v. EDO Corp.*, 990 F.2d 1237, 1248 (Fed. Cir. 1993)) ("It is elementary that inventorship and ownership are separate issues... Inventorship is a question of who actually invented the subject matter claimed in a patent. Ownership, however, is a question of who owns legal title to the subject matter claimed in a patent, patents having the attributes of personal property"). "The entity to whom a grant of a patent is made by the PTO [or that entity's successor in title] holds the 'legal title' to the patent." *Arachnid*, 939 F.2d at 1578 n2. Thus, an "owner" as that term is used in the Patent Act is one who holds legal title to the patent "either by the issuing of the patent to [him] or by reason of the assignment of the undivided interest in the patent or by reason of succession in title to such interest[.]" Because he was omitted from the patent applications and NTP Patents, Tavory has never been an owner of

those Patents, and Section 262 has no application to Tavory's unjust enrichment claim.

Section 262 provides that "joint owners" of a patent may practice the patent without accounting to other joint owners. While Section 262 places all owners of a patent on equal footing, it does not address the rights of an unnamed co-inventor who has been deprived of ownership of the patent and, thereby, of the opportunity to exploit the patent *in competition with the other patent owners.*

Only after the court corrects the NTP Patents to name Tavory as a co-inventor will he enjoy the rights and status of an owner who has legal title to the patents. From that point forward, neither he nor NTP will owe the other any accounting for profits earned on the NTP Patents for the activities enumerated in Section 262. However, since the NTP Patents first issued, Tavory has not enjoyed or been entitled to enjoy the rights and privileges exercised by NTP: he could not practice or license the NTP Patents or bring infringement actions to exclude others from practicing the Patents. NTP urged the District Court to apply Section 262 to preclude Tavory's recovery as if he were an "owner," while simultaneously recognizing that Tavory never had the rights of an "owner." Thus, NTP sought to have its cake (enjoying a monopoly over the Patents at Tavory's expense) and to eat it too (enjoying a freedom from accounting despite Tavory's wrongful

exclusion). Tavory, as an unnamed co-inventor, is not an owner and is not impacted by Section 262.

B. State Law Unjust Enrichment Claims are Not Confined to Situations Where the Plaintiff is the Sole Displaced Inventor.

The Federal Circuit agreed with NTP's reading of its precedent and concluded that *University of Colorado Foundation, Inc. v. American Cyanamid Co.*, 342 F.3d 1298, 1306 (Fed. Cir. 2003)(Cyanamid VI) ("*Cyanamid IV*") and *Ultra-Precision*, only make a claim for unjust enrichment available when there is a "complete" rather than a "partial" displacement of inventors. Such a holding, however, is both an overreading of *Cyanamid IV* and *Ultra-Precision*, and contrary to law.

In *Ultra-Precision*, the court relied on the fact that the defendant had not appropriated the plaintiff's invention *until after the plaintiff himself had placed that invention into the public domain.* 411 F.3d at 1379. The Court found that the defendant had not enjoyed any "incremental benefit" over the general public in adopting plaintiff's invention and, therefore, there was no basis on which to award money damages. Here NTP enjoyed hundreds of millions of dollars of incremental benefit: a global settlement that undoubtedly exceeded any settlement it could have acquired if Tavory's co-ownership was known, made possible by

the use of confidential (and inventive) information supplied by Tavory.

Similarly, while *Cyanamid* happened to involve a complete displacement of the named inventors, this fact was neither central nor material to this Court's decision to permit an equitable claim for unjust enrichment. In fact, the Federal Circuit had the opportunity to make this very point in *Cyanamid IV*, but declined to do so. Instead, the court remanded the case "to determine whether the [plaintiff] doctors and/or [defendant] Dr. Ellenbogen were inventors of the technology of the '643 patent," *Cyanamid IV*, 196 F.3d at 1372-73, and having left the issue of co-inventorship unresolved, this court also remanded the plaintiff's claim for an equitable remedy. *See Id.* at 1375. Thus, the *Cyanamid IV* recognized that the equitable remedies available to an unnamed co-inventor were a legitimate issue for determination by the district court whether or not the case involved sole or joint ownership of the patent.

C. Even if Applicable, Section 262 Does Not Bar Tavory's State Law Unjust Enrichment Claim.

Even if the terms "inventor" as used in section 256, and "owner" as used in Section 262, are held to be synonymous, Section 262 still would not bar Tavory's claim for equitable relief. Section 262 provides joint owners the right without consent or accounting to "make, use, offer to sell, or sell the

patented invention." The revenues NTP has earned on the NTP Patents have come from activities not covered by Section 262. Nothing in Section 262 authorizes one co-owner to initiate and resolve infringement litigation without accounting to his other co-owners.

Indeed, all co-owners are required to be made a party to any infringement action. *Ethicon*, 135 F.3d at 1467 ("An action for infringement must join as plaintiffs all co-owners."). If one owner refuses to join in the infringement action, that action cannot be maintained. *See Id.* at 1468. Tavory's exclusion from the patents permitted NTP to litigate patent infringement actions without including him. Thus, Tavory was denied the opportunity to profit from his invention by joining in or blocking the infringement action, a right all owners enjoy. 35 U.S.C. § 281. Under the reasoning in *Ethicon*, Section 262 is no impediment to disgorgement of profits derived from infringement actions. Indeed, this Court held that Section 262 operated in harmony with the rule that all owners must voluntarily join that infringement action. *Ethicon*, 135 F.3d at 1468.

While co-owners do not have a duty to account to other co-owners, they are indispensable parties to an infringement action and, thus, Tavory was entitled to share in any award or settlement derived therefrom because NTP profited from the infringement suit and cannot have excluded other co-owners. Section 262

does not preempt Tavory from asserting a claim for unjust enrichment seeking such equitable relief.

D. Federal Law Provides Displaced Co-Inventors With an Equitable Remedy.

The courts below disregarded the Federal Circuit's prior holding in *Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574 (Fed. Cir. 1991) in order to conclude that Tavory could not plead any facts entitling him to a federal equitable remedy.

In *Arachnid,* the plaintiff dart manufacturer entered into an agreement with a consultant to assist in the development of new dart board technologies. *Id.* 939 F.2d at 1576. As part of that agreement, the consultant agreed that any inventions conceived in the course of the endeavor "will be assigned" to Arachnid. *Id.* Several months after the consulting arrangement ended, the consultant's employees applied for a patent and assigned that patent to the consulting company, not to Arachnid. Arachnid sued the consultant for breach of contract for failing to assign the patents to Arachnid, and a district court ordered that the patent – which had since been purchased by a third party who had been implead – assign the patent to Arachnid. *Id.* Included in that order was statement that "Arachnid, Inc. is hereby declared and decreed to *have been and to be* the lawful owner of all right, title, and interest in and to the invention...." *Id.* (emphasis in opinion). The third party executed an assignment of the patent

that was silent as to the right to recover for past infringement. *Id.*

Prior to the assignment, the consultant had granted a manufacturer a license to practice the patented invention, and Arachnid sued the manufacturer for infringement. *Id.* at 1576-77. The main issue in *Arachnid* was whether Arachnid had standing to sue the manufacturer for practicing the patent during the time period where Arachnid was awaiting assignment of the patent owed to it by contract. *Id.*

The Federal Circuit held that despite a district court's decree that Arachnid "had been" the rightful patent owner, Arachnid did not have standing to pursue an infringement action regarding the prior infringement because "one seeking to recover money damages for infringement of a United States patent (an action "at law") must have the *legal title* to the patent *during the time of the infringement.*" *Id.*, *citing Crown Die & Tool Co. v. Nye Tool & Mach. Works*, 261 U.S. 24 (1923).

Applying the *Arachnid* insights to this matter, because Tavory has been deprived of legal title to the invention at the time of the Blackberry Litigation, even if a court were to adjudge him a co-inventor today, he would have no standing to sue RIM for that past infringement upon being named a co-inventor.

The Federal Circuit baldly states, without citation, that if Tavory "was adjudicated to be co-inventor he would assume legal title retroactive to issuance." (A.22). But the Federal Circuit's decision in *Arachnid* seems to belie this statement – the appellate court held that a district court cannot grant a litigant legal title *nunc pro tunc* to the date such legal title should have been created. Rather, standing to sue begins from the time the party's right to sue is recognized by the court. *Arachnid,* 939 F.3d at 1576.

Section 262 of the Patent Act does not vitiate that right either, for three reasons. First, Section 262, by its own terms, applies only to joint "owners" of a patent. An order correcting a patent to name the previously unnamed inventor as a co-inventor does not retroactively give the unnamed co-inventor legal title to the patent. *Id.* at 1579. Therefore, the unnamed co-inventor is not retroactively made a co-owner of the patents from which he was excluded. Since the unnamed co-inventor is not retroactively a joint owner, Section 262, which applies only to joint "owners," does not apply.

Second, Section 262 in any event addresses only the right to make, use, offer to sell or sell. It does not address the right to bring an infringement action or to settle a lawsuit that was brought in circumvention of the requirement that all co-owners be named as a plaintiff. *Ethicon*, 135 F.3d at 1467-68. The rule

requiring that all co-owners of a patent be named as a plaintiff in infringement litigation gives each co-owner a right to veto the infringement litigation. That right would have no teeth if a co-owner could bring an infringement action without naming all co-owners as plaintiffs, and without the knowledge or consent of the remaining co-owners, and reap the benefit of a settlement of that lawsuit. Clearly, Section 262 does not apply to bar relief in such a situation.

Finally, there is no statute or case law which holds that Section 262 bars equitable relief to an unnamed co-inventor whose omission from the patent denied him the benefits and rights of a co-owner.

Tavory alleged in the proposed Amended Complaint that he is a co-inventor whose name was omitted as an inventor on the Patents-in-Suit. A.219-39; He alleged that "by his exclusion from the [Patents-in-Suit] Tavory was unjustly deprived of the rights of a co-owner of legal title in the patents, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patents and their assignees." *Id.* He further alleged that he has "a right to an equitable remedy against the defendants for his exclusion as a co-owner of legal title to the patent." *Id.* This states a claim for equitable relief under the Patent Act.

E. The policy interests underlying the Patent Act in general, and Section 256 in particular, support granting the Writ.

Outside the context of an infringement litigation, if NTP (or its predecessor in interest) is the party that inadvertently omitted Tavory from the patent, it is NTP, not RIM or any of the other entities against whom NTP has enforced the Patents-in-suit, who should bear the consequence of that omission. From a policy standpoint, neither possible outcome regarding a newly-named co-inventor properly assigns the burden caused by omission.

If a co-inventor's ownership is considered to be retroactive to the date of issuance, such a holding would call into question the validity of any past infringement action (or more importantly, any settlement thereof) for failure to join a necessary party. Parties who have already once been accused of infringement could be haled into court again by the newly-named co-inventor, entirely destabilizing the certainty those litigants are entitled to. If a co-inventor's ownership is considered to start from the date of a courts entry of judgment, then the co-inventor has been deprived of the right to enforce the invention for the time period preceding the pronouncement.

In either case, however, the *patentee* is the proper party to bear the brunt of the omission. In an

infringement action, the patentee pays a terrible price – losing the right to the patent at all as a result of the omission, unless the co-inventor is added and joined to the suit. Outside the context of an infringement action, the patentee should be required make the co-inventor whole by placing the co-inventor in the same position he would have been had he been named as an inventor prior to the suit.

Because the infringement defendant, if settling or adjudged to have infringed, has already paid for that infringement based upon the reasonable expectation that no other inventors will surface to change the settlement calculus, the patentee, instead, should be disgorged of some of the license fees that he would surely have garnered if joined in the infringement action.

Conclusion

For the foregoing reasons, the Court should grant the petition for writ of *certiorari*.

Respectfully Submitted,

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United States Court of Appeals, Federal Circuit.
Oren TAVORY, Plaintiff-Appellant,
v.
NTP, INC., Defendant-Appellee.
No. 2007-1527.

Oct. 27, 2008.

Appeal from the United States District Court for the Eastern District of Virginia in case no. 3:06-CV-628, Chief Judge James R. Spencer.

G. Donovan Conwell, Jr., Conwell Kirkpatrick, P.A., of Tampa, FL, argued for plaintiff-appellant.

Kevin P. Anderson, Wiley Rein LLP, of Washington, D.C., argued for defendant-appellee. With him on the brief was James H. Wallace, Jr.

Before MICHEL, Chief Judge, NEWMAN and BRYSON, Circuit Judges.

Opinion for the court filed by MICHEL, Chief Judge.

Plaintiff-Appellant Oren Tavory appeals from the grant of summary judgment in favor of Defendant-Appellee NTP, Inc., on his claim for correction of inventorship of U.S. Patent Nos. 5,436,960; 5,438,611; 5,625,670; 5,631,946; 5,819,172; 6,076,451; and 6,317,592 (collectively, "patents-in-suit").[1] Tavory also

[1] The district court also granted summary judgment on Tavory's copyright infringement claim. Tavory does not appeal that portion of the district court's judgment.

appeals the district court's dismissal of his state law unjust enrichment claim, and its denial of leave to amend the complaint to add a claim for "federal equitable relief."

We *affirm* the grant of summary judgment because Tavory failed to raise a genuine issue of material fact as to his alleged contribution to the conception of the inventions claimed in the patents-in-suit. We also *affirm* the district court's dismissal of Tavory's unjust enrichment claim because it is preempted by 35 U.S.C. § 262. Finally, we *affirm* the district court's denial of leave to amend the complaint because the court did not abuse its discretion in holding that Tavory's "federal equitable relief" claim was duplicative of his already-pled claims and thus futile.

I. BACKGROUND

The facts of this case are related to those in *NTP, Inc. v. Research in Motion, Ltd.*, 418 F.3d 1282 (Fed.Cir. 2005) ("RIM litigation"). In late 1989, Tavory was hired as a consultant by Telefind, a small telecommunications start-up based in Florida that was engaged in the operation of a nationwide paging network. Tavory was an experienced computer programmer, particularly in the UNIX operating system environment. At that time, Tom Campana was an executive at Telefind but was also the president of ESA, a small engineering consulting firm based in

Chicago. ESA had a close working relationship with Telefind at all times relevant to this appeal.

Telefind employees used an internal e-mail system in 1990. This e-mail system was not connected to the Internet, as it existed at the time, but operated entirely on an internal computer network. Telefind also issued its employees pagers. Prior to 1990, these pagers were only used to receive traditional phone number pages. In early 1990, Telefind employees began to use a new capability wherein they could address e-mails from their usual computer e-mail programs to pagers as well as other computers. When such an e-mail was sent, the recipient pager would beep and receive the e-mail automatically without any action from the user. The e-mail would be displayed serially across the single-line display of the pager.

According to former Telefind employees, Tavory was generally considered at Telefind to be the person who had created the computer program that provided this new e-mail-to-pager functionality. He demonstrated the first such e-mails to colleagues at Te e-find, and the President of Telefind, Andy Andros, publicly acknowledged Tavory's work at a Telefind staff meeting in early 1990.

Also in 1990, Campana and others at Telefind became involved in an effort to secure new investment from AT & T. These efforts resulted in a development project wherein Telefind and ESA worked to create a system for AT & T to take e-mail from a

conventional e-mail system, transmit it wirelessly to a pager via the Telefind network, and then transfer the e-mail from the pager to a laptop computer. Tavory was involved as a programmer for this project, as were Mike Ponschke and Gary Thelen, two programmers at ESA. The project team was able to create a working system before November 1990 when Campana demonstrated it at a large trade show to much acclaim.

Nevertheless, Telefind ran out of funds in 1991 and began to collapse. Tavory thus left Telefind. Meanwhile, Campana and Telefind's attorney, Donald Stout, formed NTP in early 1991. In May 1991, Stout filed a patent application on behalf of Campana generally claiming the system Telefind and ESA had developed during the AT & T project. Campana, Ponschke, and Thelen were listed as co-inventors. Among other things, Stout appended a copy of code Tavory helped write for the AT & T project to the application. Ultimately, this patent application resulted in all of the patents at issue in this appeal.

In November 2001, NTP filed suit against Research in Motion, Ltd. ("RIM") accusing RIM's Blackberry systems of infringing the same patents at issue here. *See NTP, Inc.*, 418 F.3d at 1287, 1290 (Fed.Cir. 2005). As part of that litigation, in 2002, Tavory was deposed as a witness for NTP. He did not make any claim of inventorship at his deposition. NTP won a jury verdict awarding over $50 million in

damages, and the district court awarded a permanent injunction, which it stayed pending appeal.[2] On appeal, this court affirmed-in-part, reversed-in-part, vacated-in-part, and remanded. *Id.* at 1287. RIM elected to settle and agreed to take a license to resolve all past and future infringement. The settlement paid NTP $612.5 million. Campana died prior to the settlement.

In September 2006, less than a year after the RIM settlement, Tavory filed the present suit claiming: (1) correction of inventorship to add Tavory as a co-inventor to each of the patents at issue, (2) copyright infringement, and (3) unjust enrichment. NTP moved to dismiss the copyright and unjust enrichment claims. On December 26, 2006, the district court dismissed the state law unjust enrichment claim as preempted by both federal patent and copyright law. Tavory soon thereafter moved for leave to amend his complaint to add a claim for "federal equitable relief," but the district court denied leave on March 6, 2007, on futility grounds. After the close of discovery, NTP moved for summary judgment as to the inventorship and copyright claims. The district court granted summary judgment, holding that (1) it lacked subject matter jurisdiction over the copyright infringement claim because Tavory obtained his copyright registration using a facially inadequate copy of his software,

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[2] The RIM litigation was decided prior to the Supreme Court's decision in *eBay Inc. v. MercExchange L.L.C.*, 547 U.S. 388, 126 S.Ct. 1837, 164 L.Ed.2d 641 (2006).

thus rendering the registration invalid; (2) in the alternative, NTP was entitled to judgment on the copyright claim under the doctrines of equitable estoppel, judicial estoppel, laches, and fair use; and (3) Tavory had failed to present sufficient independent evidence to corroborate his inventorship allegations. *Tavory v. NTP, Inc.*, 495 F.Supp.2d 531 (E.D.Va. 2007). Tavory then timely filed this appeal.[3] We have jurisdiction under 28 U.S.C. § 1295(a)(1).

II. DISCUSSION

A. Inventorship

The district court granted summary judgment rejecting Tavory's inventorship claim, holding that Tavory had failed to adduce sufficient independent evidence corroborating his own testimony that he was a co-inventor of the patents-in-suit to raise a genuine issue of material fact. We review a district court's grant of summary judgment de novo. *Teleflex, Inc. v. Ficosa N. Am. Corp.*, 299 F.3d 1313, 1323 (Fed.Cir. 2002).

A patent is presumed to name the correct inventors, thus a putative unnamed co-inventor must prove his inventorship by clear and convincing evidence. *Hess v. Adv. Cardiovascular Sys., Inc.*, 106 F.3d 976,

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[3] The district court subsequently awarded attorneys' fees to NTP under 17 U.S.C. § 505. *Tavory v. NTP, Inc.*, 2007 WL 2965048 (E.D.Va. 2007). Tavory separately appealed the fees award to this court, now pending as Appeal No. 2008-1090.

980 (Fed.Cir. 1997). The "touchstone" of inventorship is conception, which requires a "definite and permanent idea of the complete and operative invention." *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 40 F.3d 1223, 1228 (Fed.Cir. 1994) (quoting *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1376 (Fed.Cir. 1986)). A co-inventor must prove he contributed to this conception of the claimed invention. *Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F.3d 1456, 1460 (Fed.Cir. 1998). The contribution must be more than simply the exercise of ordinary skill in the art. *Id.* Simply reducing to practice that which has been conceived by others is insufficient for co-inventorship. *Id.*

However, a co-inventor need not contribute to the conception of every claim of a patent; a single claim is sufficient. 35 U.S.C. § 116; *Ethicon*, 135 F.3d at 1460. And he need not "make the same type or amount of contribution" as the other co-inventors. 35 U.S.C. § 116; *Gemstar-TV Guide Int'l, Inc. v. Int'l Trade Comm'n*, 383 F.3d 1352, 1381 (Fed.Cir. 2004). As a result, no individual co-inventor need have a "definite and permanent idea of the complete and operative invention" so long as all of the co-inventors collectively satisfy that requirement. *See* 35 U.S.C. § 116; *Gemstar*, 383 F.3d at 1381; *Burroughs*, 40 F.3d at 1228.

A co-inventor's own statements are inadequate to prove conception as a matter of law and thus must be corroborated by independent evidence. *Ethicon*, 135 F.3d at 1461. This evidence can be in the form of

contemporaneous documents or the oral testimony of an independent witness. *Id.*; *Gemstar*, 383 F.3d at 1382. The evidence must establish that the inventor(s) made a "contemporaneous disclosure that would enable one skilled in the art to make the invention." *Burroughs*, 40 F.3d at 1228. In the co-inventor context, the contemporaneous disclosure must enable a skilled artisan to practice the portion of the invention that the co-inventor contributed.

Here, Tavory alleges that he conceived of an "interface switch," a claim limitation in multiple claims of each patent-in-suit. The district court construed this claim term in the RIM litigation as "a device or system, which includes a processor, that transmits electronic mail messages to a wireless system for delivery to a mobile processor," and the parties here do not dispute that this is the correct construction of the term. *See* J.A. at 1531. Tavory argues that he wrote the software disclosed in the patents that serves as the interface switch. It is undisputed that the interface switch is a vital component of the invention claimed in the patents-in-suit. The question, however, is (1) whether conception of the interface switch was more than just the exercise of ordinary skill, and (2) whether Tavory produced sufficient evidence to raise a triable issue as to whether he did, in fact, conceive of the interface switch that is part of the claimed invention.

We conclude that Tavory failed to demonstrate that his activities relating to the interface switch involved anything more than just the exercise of

ordinary skill. Tavory first argues that the combination of his interface switch with a prior art RF network and e-mail system was the key to the claimed invention. Even assuming this is true, however, Tavory has not established that the interface switch itself was not in the prior art. An invention may be novel and non-obvious as a whole and yet be a combination of elements that are all individually well-known in the prior art by skilled artisans.

Tavory does, in a single sentence, aver that "the interface switch is not prior art," but he relies solely on the declaration of a patent attorney who is not a person of ordinary skill in the art.[4] *See* Appellant's Br. at 6 (citing J.A. at 964-66). While he proffered the declaration of a technical expert to the district court, that expert only discusses why the interface switch is the most important component of the claimed invention and never states that it is novel or non-obvious Therefore, because Tavory has not provided any competent evidence that his alleged contribution to the claimed invention – the interface switch – was the

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[4] The affiant, James T. Beran of Richmond, states that he is an experienced patent prosecutor and a former patent examiner in the area of computer software. While he does state that he has a master's degree in electrical engineering and took coursework in computer programming, he does not claim to be a person of ordinary skill in the art and only claims knowledge relating to patent prosecution. His opinion that the interface switch is not in the prior art is based solely on his interpretation of the language of the patents themselves in light of patent drafting conventions.

result of anything more than the exercise of ordinary skill in the art, he has failed to establish co-inventorship.

We also conclude that Tavory failed to provide sufficient corroborating evidence that he *conceived* of the interface switch. It is undisputed that he wrote the source code appended to the eventual patent application as an embodiment of the interface switch. Thus, he clearly contributed significantly to the reduction of the claimed invention to practice by reducing the interface switch to practice. However, he must prove *conception* of the interface switch to be a co-inventor, and thus he must demonstrate that he made a contemporaneous enabling disclosure. *See Burroughs,* 40 F.3d at 1228. He indisputably lacks any contemporaneous documents evidencing such a disclosure and relies instead on the testimony and declarations of various witnesses.

These witnesses generally testify that in early 1990, Telefind employees (including some of the witnesses) were able to send e-mail from their desk-top computers to their and other employees' pagers such that the pagers received the email messages automatically without any action from the pager

owners.[5] They further testified that it was generally known in the company, and the company's president, Andrew Andros, specifically informed them, that Tavory wrote a computer program that provided this capability. Many of them testified that their first experience with this capability was at a luncheon where Tavory's pager automatically received an alphanumeric message that he claimed came from Telefind's e-mail system. Some witnesses testified that Tavory earlier told them of his intention to create such a program. Ponschke and Thelen of ESA testified that Tavory and Telefind were responsible for creating a program to send e-mail messages from the e-mail system to the Telefind pager network.

However, no witness saw Tavory creating the program, and none testified as to any technical details either learned from Tavory or seen first-hand. No one testified about ever seeing Tavory's code, and no contemporaneous copy of the code or documentary evidence of the program is in the record. Moreover, no testimony or any other record evidence indicates whether the contemporaneous information testified to

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[5] NTP insinuates that these Telefind devices were not used with "e-mail messages" but rather a proprietary system called "MessageWriter" that translated text into audible tones sent through a normal telephone handset. At least some of Tavory's witnesses clearly testified, however, that the messages were "e-mail" sent from a *computer terminal* (and not a telephone-based device like Message Writer). *See, e.g.*, J.A. at 816, 825. In any event, for the purpose of summary judgment, we cannot accept NTP's view of these facts.

by Tavory's witnesses would enable a person of ordinary skill in the art to create a program like the one Tavory allegedly created. Thus, the testimony Tavory relies on fails to raise a genuine issue of *material* fact because they do not bear on *conception* and do not indicate Tavory ever made a contemporaneous enabling disclosure.

Tavory argues that he need not establish an enabling disclosure because he established that he "reduced to practice" his interface switch. He relies on *Pfaff v. Wells Electronics, Inc.* for the rule that reduction to practice, if proven, also establishes conception. 525 U.S. 55, 66, 119 S.Ct. 304, 142 L.Ed.2d 261 (1998). That and other comparable cases, however, involve reduction to practice of the *entire* invention. As noted earlier, components of an invention may themselves be entirely in the prior art so reducing such a component to practice is not evidence of any inventive conception. And in the context of an alleged unnamed co-inventor, the requirement that his contribution be more than the exercise of ordinary skill means that he cannot prove such a contribution by only showing activities amounting to reduction to practice because reduction to practice by definition is merely the exercise of ordinary skill. *See Burroughs,* 40 F.3d at 1228 ("Conception is complete only when the idea is so clearly defined in the inventor's mind that *only ordinary skill would be necessary to reduce the invention to practice,* without extensive research or experimentation.") (emphasis added).

Tavory also argues that none of the named inventors had any UNIX programming abilities and thus he must have been a co-inventor because Telefind's server was a UNIX machine. However, inventors are not required to have known how to reduce their conceived inventions to practice to establish conception. Thus, Campana's lack of programming savvy and Tavory's UNIX expertise may establish that Tavory was instrumental in reduction to practice, but they are irrelevant here to conception.[6] And any defects in Campana's conception or inventorship, which Tavory argues at length, are not relevant here where Tavory did not plead any challenge to the named inventors' inventorship. In other words, even if Campana and his co-inventors did not conceive of the invention, that fact alone does not prove that Tavory did conceive of the interface switch.

Therefore, we conclude that Tavory failed to establish a genuine issue of material fact as to his inventorship of the patents-in-suit. As a result, we affirm the district court's grant of summary judgment as to Tavory's correction of inventorship claim.

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[6] Such circumstances *could* have been probative of conception if, for example, the claims of the patents-in-suit specifically required UNIX programming or limitations specific to UNIX servers. But no claim recites any such limitation here.

B. Unjust Enrichment

We next turn to Tavory's contention that the district court erred in dismissing his state law unjust enrichment claim for failure to state a claim upon which relief can be granted. *See* Fed.R.Civ.P. 12(b)(6). The district court held that his unjust enrichment claim is preempted by federal patent law.[7] We review the grant of a motion to dismiss without deference. *Adv. Cardiovascular Sys., Inc. v. Scimed Life Sys., Inc.*, 988 F.2d 1157, 1160 (Fed.Cir. 1993). Dismissal is only proper when, based on the pleadings, "it appears beyond doubt that the plaintiff can prove no set of facts in support of his claim which would entitle him to relief." *Conley v. Gibson,* 355 U.S. 41, 45-46, 78 S.Ct. 99, 2 L.Ed.2d 80 (1957). All factual disputes must be resolved, and all reasonable inferences drawn, in favor of the non-movant. *Adv. Cardiovascular Sys.*, 988 F.2d at 1160-61.

Federal Circuit law governs whether federal patent law preempts a state law claim, a question we review de novo. *Ultra-Precision Mfg., Ltd. v. Ford Motor Co.,* 411 F.3d 1369, 1376 (Fed.Cir. 2005). An unjust enrichment claim is preempted by federal patent law when it conflicts with "the accomplishment and

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[7] The district court alternatively held that the unjust enrichment claim is preempted by federal copyright law. We need not reach this holding because we affirm the district court's holding that the claim is preempted by federal patent law. We also do not reach NTP's argument that the claim is barred by Virginia's statute of limitations.

execution of the full purposes and objectives of Congress." *Id.* at 1377 (quoting *Aronson v. Quick Point Pencil Co.*, 440 U.S. 257, 262, 99 S.Ct. 1096, 59 L.Ed.2d 296 (1979)).

Tavory's complaint alleges that NTP "has received substantial and valuable benefits from Tavory in the form of royalties, payments or other compensation for the use of Tavory's wireless email invention and of [Tavory's] Push Software," and that "it would be inequitable and unjust for Defendant, NTP, to retain the benefit of the use of the Tavory invention and the Tavory Push Software without payment to Tavory for the fair value of such use." J.A. at 51. As is clear from the complaint, Tavory's allegations only concern NTP's activities regarding the patents-in-suit, and the complaint does not allege any other uses of his "wireless email invention" or "Push Software" by NTP. *See* J.A. at 44-45 (Tavory's complaint alleging that NTP's patents incorporate his "wireless email invention" and "Push Software" and that he "contributed to the conception of the inventions reflected" in the patents-in-suit). These activities would include, Tavory asserts, the license agreement and related payments received by NTP in its settlement with RIM in the RIM litigation. Thus, Tavory's unjust enrichment claim essentially seeks his share of monies received by NTP from the licensing and enforcement of the patents-in-suit, such as those from the RIM settlement, which he is allegedly entitled to due to his contribution to the conception of the invention

claimed in those patents, i.e., because he is the co-inventor of those patents.

Under 35 U.S.C. § 262, a patent's co-owner may "make, use, offer to sell, or sell the patented invention" without the consent of the other co-owners and without accounting to the co-owners. We have held that licensing is also covered by § 262. *Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 196 F.3d 1366, 1373 (Fed.Cir. 1999) ("*Cyanamid IV*"). Thus, any of the co-owners of the patents-in-suits may license the patents-in-suit without obtaining the approval of, or accounting to, the other co-owners. As a result, even if we accept for the purpose of reviewing the Rule 12(b)(6) dismissal Tavory's contention that he is a co-inventor of the patents-in-suit, he would still not be entitled, under § 262, to any portion of the revenues from NTP's licensing activities since it is undisputed that NTP is the legitimate assignee of Campana's interests in the patents-in-suit. Tavory cannot sidestep § 262 through a state law unjust enrichment claim; such a claim is preempted because it "stands as an obstacle to the accomplishment and execution of the full purposes and objectives of Congress" in enacting § 262, as the district court correctly held.

Tavory argues that *Cyanamid IV* and *University of Colorado Foundation, Inc. v. American Cyanamid Co.*, 342 F.3d 1298 (Fed.Cir. 2003) ("*Cyanamid VI*"), support his argument that his unjust enrichment claim is not preempted. In these *Cyanamid* cases, scientists at the University of Colorado conceived of certain pharmaceutical formulations of prenatal

vitamins that increased the absorption of iron far beyond existing vitamins. *Cyanamid VI,* 342 F.3d at 1301-02. Although their research was prompted by a request from Cyanamid, the conception of the formulations was entirely by these scientists alone. *Id.* at 1304. The scientists provided Cyanamid with a confidential copy of a manuscript they intended to publish; Cyanamid then filed a patent application on the scientists' formulations claiming its own employee as the sole inventor and even copying verbatim from the manuscript. *Id.* at 1303. The scientists filed suit and pled unjust enrichment based on their allegation that Cyanamid's patent was obtained unfairly from the scientists' confidential disclosure. We held this claim was not preempted by federal patent law because it sought restitution for unfair use of confidential information, not any patent-like protection over an unpatentable or publicly-available technology. *Id.* at 1306-07. In other words, the scientists were not seeking any patent-like remedy; rather, they sought to deprive Cyanamid of an unfair benefit it gained by breaching the scientists' confidence.

Tavory argues that he alleged in his complaint that he provided his software to Campana in confidence. However, unlike in *Cyanamid,* whether or not a breach of confidence occurred has no real bearing on Tavory's claim. In *Cyanamid,* Cyanamid's alleged breach of confidence resulted in a fraudulently-obtained patent they did not deserve. Thus, whether a confidential relationship existed – in fact, we likened it to an implied contract for non-disclosure – was central to the

unjust enrichment claim. *Cyanamid VI,* 342 F.3d at 1306. Here, Tavory did not allege in his complaint that the named inventors should not have received the patents or that they were not in fact inventors of the claimed invention. Thus, whether Campana breached any confidences owed to Tavory to obtain the patents-in-suit is inapposite. Rather than seeking to deprive NTP of an ill-gotten benefit, Tavory seeks to have his alleged fair share of the benefit and acknowledges that the named inventors also deserve a share. This type of unjust enrichment claim is precisely what we held was preempted by federal patent law in *Ultra-Precision.* There, we noted that Ultra-Precision could not claim that Ford had received the type of unfair benefit as in the *Cyanamid* cases because Ultra-Precision only claimed co-inventorship in Ford's patent, and "Ford's ability to use the invention claimed in the '312 patent is unencumbered by the existence of any co-inventors [under 35 U.S.C. § 262]." *Ultra-Precision,* 411 F.3d at 1381.

Tavory also argues that § 262 does not apply here because (1) he is a co-inventor but *not* a co-owner, and (2) § 262 does not apply to "resolv[ing] infringement litigation," i.e., the RIM settlement. Appellant's Br. at 43-47. The former argument is meritless because Tavory has not alleged that he ever assigned or transferred his ownership interest in the patents at issue (if any). Therefore, if he is adjudged to be a co-inventor, he is also by definition a co-owner. Tavory's latter argument, at least with regard to the RIM

settlement, fails because the RIM settlement agreement was a license, and as already noted, licensing by co-inventors is covered by § 262. *See Cyanamid IV,* 196 F.3d at 1373. But even if it had been an award of damages by the court, and to the extent Tavory also seeks compensation relating to other litigation awards NTP may have received, Tavory's claim to a portion of such awards is also entirely dependent on whether he is a co-owner. A patent infringement suit must join all of the co-owners for standing purposes. *Ethicon,* 135 F.3d at 1467. Thus, Tavory's entitlement here to a portion of any benefits from the enforcement of the patents-in-suit in patent infringement actions stems solely from his entitlement to being joined as a co-owner. Here, since Tavory's status as a co-owner depends entirely on whether he was a co-inventor,[8] the dispositive issue is Tavory's alleged co-inventorship, which is governed exclusively by federal patent law. *See Cyanamid IV,* 196 F.3d at 1372. Therefore, we affirm the district court's dismissal of Tavory's unjust enrichment claim as preempted by federal patent law.

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[8] If, however, Tavory's co-ownership did not depend on resolving inventorship or any other issue governed exclusively by federal law, his unjust enrichment claim may not be preempted because ownership, as distinct from inventorship, is generally governed by state law. *See Jim Arnold Corp. v, Hydrotech Sys., Inc.*, 109 F.3d 1567, 1572 (Fed.Cir. 1997).

C. "Federal Equitable Relief"

Finally, we address Tavory's argument that the district court erred in denying him leave to amend his complaint to add a claim for "federal equitable relief." We apply the law of the regional circuit in reviewing denials of leave to amend a pleading. *Ferguson Beauregard/Logic Controls, Div. of Dover Res., Inc. v. Mega Sys. LLC,* 350 F.3d 1327, 1342 (Fed.Cir. 2003). Here, we review the district court's denial of leave to amend a pleading for an abuse of discretion. *Edwards v. City of Goldsboro,* 178 F.3d 231, 242 (4th Cir. 1999). Leave to amend may properly be denied where the amendment would be futile. *See Johnson v. Oroweat Foods Co.,* 785 F.2d 503, 509 (4th Cir. 1986). The district court held that amending a complaint with a new claim that could not withstand a motion to dismiss under Rule 12(b)(6) would be futile. *See Schmidling v. City of Chicago,* 1 F.3d 494, 501 (7th Cir. 1993). We agree, and Tavory does not seriously challenge this view.

Tavory argues in large part that the district court erred in denying him leave to amend by relying on the same reasoning for its dismissal of Tavory's unjust enrichment claim, which Tavory argues was also wrong. As already discussed, that decision was correct. Thus, to the extent Tavory's vague claim for "federal equitable relief" is just a purported federal version of his state law unjust enrichment claim, the district court correctly held it was futile to add it to the complaint.

Tavory next relies on *Cyanamid IV* as supposedly recognizing a "federal equitable relief" cause of action. But nowhere in that decision do we do so; we note that the district court considered equitable claims (such as unjust enrichment), and certainly the equitable remedy of correction of inventorship was at issue, but we vacated all of the district court's patent-related decisions as based on an erroneous determination of inventorship (i.e., because it was decided under state law rather than federal law). *Cyanamid IV,* 196 F.3d at 1376. To the extent Tavory is arguing that his "federal equitable relief" claim seeks the correction of the patents to list him as a co-inventor, the district court clearly did not abuse its discretion by denying leave to add such a duplicative claim.

Lastly, Tavory relies on *Arachnid, Inc. v. Merit Industries, Inc.*, 939 F.2d 1574 (Fed.Cir. 1991). There, we held that the plaintiff could not sue the infringer for damages because, during the entire period of infringement, plaintiff held equitable title but not legal title. *Id.* at 1579-80. Initially, the legal title holder of the patent at issue entered into an agreement to assign ownership of future inventions to the plaintiff. *Id.* at 1580-81. The legal owner later executed an actual assignment of ownership to the plaintiff of a patent to such an invention, but he was not assigned the right to sue for past infringement. *Id.* at 1576. Thus, we held that the patentee could still sue for past infringement but could only be granted equitable relief. *Id.* at 1579-80. This case is inapposite here. Tavory is not suing for infringement

and is not seeking equitable relief for infringement. If he was adjudicated to be a co-inventor he would assume legal title retroactive to issuance because he has never assigned his ownership interests in the patents-in-suit, if any. Thus, Tavory would never have held equitable title but not legal title. And *Arachnid* certainly does not support a vague cause of action for unspecified "federal equitable relief." Therefore, the district court did not abuse its discretion by denying leave to amend the complaint.

CONCLUSION

For the reasons provided above, the judgment is affirmed.

NEWMAN, Circuit Judge, concurs in the result.

NEWMAN, Circuit Judge, concurring in the judgment. I too would dismiss Mr. Tavory's claims. I would dismiss on either of two grounds: first, for laches, for no error has been shown in the district court's finding that "[t]he Plaintiff's delay in asserting his authorship has been excessive and unreasonable," *Tavory v. NTP, Inc.*, 495 F.Supp.2d 531, 537 (E.D.Va. 2007); and second, on the ground of estoppel by silence when there was a clear duty to speak, for during Mr. Tavory's participation in the litigation between NTP and Research in Motion on these patents, he did not mention the possibility of his joint inventorship. As the district court observed, starting

with Mr. Tavory's deposition in 2002 and throughout that litigation, from trial to appeal to remand to settlement, Mr. Tavory did not state that he was the creator of "the key to the invention," as he now states. The district court observed that "the first time that Tavory claimed to be the author of the source code was in 2006, after Mr. Campana [the principal named inventor] had passed away, and after a healthy settlement between NTP and Research In Motion had been reached." *Tavory,* 495 F.Supp.2d at 537 n. 4.

Mr. Tavory does not dispute these facts. His explanation, that no one asked him if he was a joint inventor, does not excuse this silence, in the circumstances of his knowledge of and participation in the litigation. The undisputed facts evoke *prima facie* laches and estoppel, which have not been rebutted. On this ground, I concur in the dismissal.

This court, in finding that Mr. Tavory is not a joint inventor, propounds several purported rules of joint inventorship. For example, the majority opinion states that "inventors are not required to have known how to reduce their conceived inventions to practice to establish conception." Maj. op. at 10. That statement is sometimes applicable, but it is far from a general rule. The courts have often held, that "conception and reduction to practice go hand in hand;" that is, on the facts of that case, there is no conception without reduction to practice. *See, e.g., Dow Chem. Co. v. Astro-Valcour, Inc.,* 267 F.3d 1334, 1341 (Fed.Cir. 2001). As another confusing statement, the court bases its inventorship decision on the statement

that "[a]n invention may be novel and non-obvious as a whole and yet be a combination of elements that are all individually well-known in the prior art by skilled artisans." Maj. op. at 7. That statement of law is correct, but we are not told how it negates Mr. Tavory's claim to have contributed a novel element to the claimed invention. Other statements of law are of equally obscure relevance, although their applicability to these facts is suggested.

Whether or not Mr. Tavory should have been or could have been named as a joint inventor, he waited too long to make the claim. That is a sufficient ground of affirmance.

495 F.Supp.2d 531

United States District Court, E.D. Virginia,
Richmond Division.
Oren TAVORY, Plaintiff,
v.
NTP, INC., Defendant.
Civil Action No. 3:06-CV-628.

July 17, 2007.

Dana Duane McDaniel, Joel Christopher Hoppe, Spotts Fain PC, Richmond, VA, G. Wrede Kirkpatrick, George Donovan Conwell, Jr., Conwell Sukhia & Kirkpatrick PA, Tampa, FL, Steven G. Hill, Hill Kertscher & Wharton LLP, Atlanta, GA, for Plaintiff.

Christopher Michael Mills, Wiley Rein LLP, McLean, VA, Gregory Michael Murphy, Maya Miriam Eckstein, Hunton & Williams LLP, Richmond, VA, James Harold Wallace, Jr., John Benedict Wyss, Kevin Paul Anderson, Wiley Rein LLP, Washington, DC, for Defendant.

MEMORANDUM OPINION

JAMES R. SPENCER, Chief Judge.

This matter comes before the Court on Defendant NTP's Motion for Summary Judgment, filed as Docket Entry No. 85, pursuant to Federal Rule of Civil Procedure 56. On September 20, 2006, and in the wake of the notorious and protracted *BlackBerry* litigation, *NTP, Inc. v. Research In Motion,* 3:01-CV-767, Plaintiff Oren Tavory brought this civil action to

be joined as an inventor with respect to six certain patents.[1] Additionally, Counts VII and VIII of the Complaint sought damages for copyright infringement and unjust enrichment, respectively. By Memorandum Opinion & Order dated December 26, 2006, Count VIII was dismissed. (Docket Entry No. 42.) NTP then moved for summary judgment as to the remaining counts, and by Order dated May 16, 2007, that Motion was granted. (Docket Entry No. 105.) This Opinion has been issued to explain that disposition.

I.

In the latter years of the 1930s, Oren Tavory became employed as an independent technical consultant with Telefind, a telecom concern that was then engaged in the operation of a nation-wide paging network. While affiliated with Telefind, the Plaintiff was assigned to a project that purposed to merge portable computing with emerging pager technology. The objective of that project was to create the first commercially viable, wireless-enabled laptop

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[1] These patents are referred to in passing as the patents-in-suit, and they are: (1) U.S. Patent No. 5,436,960 ("the '960 patent"); (2) U.S. Patent No. 5,438,611 ("the '611 patent"); (3) U.S. Patent No. 5,625,670 ("the '670 patent"); (4) U.S. Patent No. 5,631,946 ("the '946 patent"); (5) U.S. Patent No. 5,819,172 ("the '172 patent"); and (6) U.S. Patent No. 6,067,451 ("the '451 patent"). The first six counts of the Complaint request that the Plaintiff be joined as an inventor as to each corresponding patent.

computer. Telefind subcontracted with ESA, a manufacturer of electronic hardware components, to assist with construction. The President of ESA was Tom Campana, a gentleman who moonlighted with Telefind as an executive officer. Mr. Campana was involved extensively in the laptop project, as were two of ESA's programmers, Mike Ponschke and Gary Thelen. The Plaintiff came to know these men through that association.

Initially, their work met with some success. Email was effectively sent through Telefind's pager network to destination processors – the pagers, which then transmitted those messages to laptop computers to which they were connected. For reasons that are not relevant to these proceedings, however, the laptop project was abandoned. By early 1991, Telefind had discontinued funding, and Tavory had sought other employment.

At about the same time, Mr. Campana, Mr. Ponschke, and Mr. Thelen filed a joint application with the United States Patent & Trademark Office for what is described as an "electronic mail system." It is the Court's understanding that this system and its associated technology were developed in the course of the laptop project. Eventually, the PTO approved the application and a patent was issued.[2] Over the coming years, these men would apply for and be granted at least five more patents, each

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[2] This was the '960 patent.

involving electronic mail systems or related technology. Together, these six are the patents-in-suit.

In 1992, Mr. Campana co-founded NTP, a Virginia-based corporation that is principally engaged in the business of holding telecom patents for licensing to third-party manufacturers. It is estimated that NTP's portfolio contains fifty or more active patents. The patents-in-suit are among NTP's holdings.

In 2001, NTP brought an action for infringement against Research In Motion, the manufacturer of the wireless handheld device BlackBerry, with respect to a number of patents that included the patents-in-suit in the instant proceedings. That case was litigated before this Court, and Tavory was deposed in connection with his work at Telefind. In the course of his deposition, the Plaintiff identified portions of source code in the patents-in-suit that he had allegedly authored. At no time, however, did he assert the existence of a copyright in the code, nor did he offer any proof of authorship or ownership.

BlackBerry lingered in the courts for nearly five full years. It was not until the early months of 2006 that a settlement between the parties was reached.[3] Mr. Campana never lived to see that day, though; he had passed away two years earlier.

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[3] NTP settled all infringement claims against Research In Motion for $612.5 million.

Soon after *BlackBerry's* settlement, Tavory submitted an application for copyright registration as to the portions of the source code he had claimed to author. Then on September 20, 2006, this action for co-inventorship was filed. The Plaintiff's allegations in this matter are twofold. First, that he is the author of the source code that was used to "push" an item of email onto the paging network for delivery. This is referred to periodically as the Push Software. His second allegation is that through neglect or design, his name was omitted from the patent applications. He seeks to be established as the copyright owner of the Push Software, to be recognized as a co-inventor of the patents-in-suit, and damages appertaining to the infringement of those rights.

II.

Summary judgment is appropriate when there is no genuine issue as to any material fact and the moving party is entitled to judgment as a matter of law. Fed.R.Civ.P. 56(c). "The plain language of Rule 56(c) mandates the entry of summary judgment . . . against a party who fails to make a showing sufficient to establish the existence of an element essential to that party's case, and on which that party will bear the burden of proof at trial." *Celotex Corp. v. Catrett,* 477 U.S. 317, 322, 106 S.Ct. 2548, 91 L.Ed.2d 265 (1986). The non-moving party may not rest upon mere allegations or denials contained in his pleadings, but must set forth specific facts showing that there is a genuine issue for trial. Fed.R.Civ.P. 56(e).

The facts of this matter, as well as any reasonable inferences to be drawn from those facts, have been construed in the light more favorable to the non-moving party. *Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986). "Summary judgment will be granted unless a reasonable jury could return a verdict for the non-moving party on the evidence presented." *Id.* at 247-48, 106 S.Ct. 2505.

III.

The claim before the Court consists in part of an action for direct copyright infringement. To prevail, the copyright holder must prove "(1) ownership of a valid copyright, and (2) copying of constituent elements of the work that are original." *Feist Publ'ns, Inc. v. Rural Tel. Serv. Co.*, 499 U.S. 340, 361, 111 S.Ct. 1282, 113 L.Ed.2d 358 (1991); *see also ALS Scan, Inc. v. RemarQ Cmtys., Inc.*, 239 F.3d 619 (4th Cir. 2001). There is also a jurisdictional limitation. A copyright must be registered prior to the institution of an action for infringement. 17 U.S.C. § 411(a); *Xoom, Inc. v. Imageline, Inc.*, 323 F.3d 279, 283 (4th Cir. 2003). "[T]o obtain a copyright registration, an applicant must deposit as part of his application a 'copy' or 'copies' of the work." *Kodadek v. MTV Networks, Inc.*, 152 F.3d 1209, 1211 (9th Cir. 1998) (citing 17 U.S.C. § 408(b)(1),(2)). Not just any kind of copy will suffice, though; only originals or "bona fide copies" are acceptable. *See Seiler v. Lucasfilm, Ltd.*, 808 F.2d 1316 (9th Cir. 1986); *see also Coles v.*

Wonder, 283 F.3d 798 (6th Cir. 2002); *Geoscan, Inc. v. Geotrace Techs., Inc.,* 226 F.3d 387 (5th Cir. 2000); *Kodadek,* 152 F.3d 1209. A bona fide copy is one that is "virtually identical to the original" and was "produced by directly referring to the original." *Kodadek,* 152 F.3d at 1211. In contrast are "reconstructions," documentary evidence of putative copyrights that are created without reference to original works or bona fide copies. *See, e.g., Seiler,* 808 F.2d 1316 (9th Cir. 1987).

The Copyright Act is wisely disdainful of reconstructions. One need look no further than to *Kodadek,* 152 F.3d 1209 (9th Cir. 1998), for an illustration. In 1993, MTV aired *Beavis and Butt-Head,* an animated series that centered on two Texas teens and their penchant for petty vandalism, music videos, and "chillaxin'." The cartoon was an instant success. Among its viewers was the plaintiff, Kodadek. He claimed that the characters Beavis and Butt-Head were his ideas, that he had conceived their characters in 1991, and that the show's creator, Mike Judge, had stolen his concepts. Kodadek filed for a copyright registration in 1993, and submitted in connection with his application copies of sketches of the characters Beavis and Butt-Head. Not only were these sketches drawn that same year, they were made after Kodadek had seen the show. The plaintiff also backdated his application to indicate that "the year in which his work was created" was 1991. The Copyright Office issued a certificate of registration, and Kodadek followed with an action for infringement

against MTV and Mr. Judge. Summary judgment was entered against the plaintiff, in relevant part for his failure to obtain a valid copyright registration, and affirmed on appeal.

This is precisely the type of fraudulent claim that the Copyright Act seeks to frustrate. In one sense, the deposit requirement serves a gatekeeping function. Effective registration of a copyright is predicated on the submission of some objective indicia of an individual's authorship. In another sense, the requirement serves an evidentiary function. The copies that are submitted in connection with an application for registration then become part of a record by which claims of infringement are tested. The utility of these functions, as well as our confidence in the integrity of the copyright system, breaks down when recollection is tolerated. That is because memories are inherently unreliable. They are susceptible to influence and subject to change. Time is especially corrosive, and the more time that passes, the more our memories fail. These are simple facts of life, and the Copyright Act deals with these facts by not dealing with them at all. For the purpose of the deposit requirement, the degree to which the registrant relied on his memory does not matter. The Copyright Act does not countenance the validity of any deposit copy that was made with even the slightest reference to recollection. *Kodadek*, 152 F.3d 1209; *see also Coles*, 283 F.3d 798 (6th Cir. 2002); *Seiler*, 808 F.2d 1316 (9th Cir. 1987). To hold otherwise would yield a system fraught with fraud and deceit. *Seiler*, 808 F.2d at 1322.

And that is why Tavory's deposit copy is insufficient as a matter of law. It is admitted that no original copies of the source code dating from 1990 remain. The Plaintiff was able to produce his deposit copy only by referring to modified versions of the code and redacting those modifications to the best of his recollection in order to create an "original." Unsurprisingly, when the source code introduced with his copyright application was tested, it failed to perform as the 1990 version of the Push Software had.

Tavory insists that these considerations are irrelevant. It is suggested that a bona fide copy of an original work need not be a carbon copy, and that is true. A copy submitted for deposit is sufficient if it is "virtually identical" to the original; minor errors or discrepancies in the application will generally not avoid registration. *Three Boys Music Corp. v. Bolton,* 212 F.3d 477, 486-87 (9th Cir. 2000). Tavory has characterized the differences between the operational and non-operational source codes as "slight," consisting of misspelled words, syntactical errors, or misplaced punctuation marks. The Court is not in a position to assess the veracity of these representations, nor is it inclined to do so at this stage in the proceedings.

The more fundamental infirmity in the Plaintiff's registration arises with respect to his reliance on later versions of the source code. To begin with, it is undisputed that these later versions had evolved from the content of the original, picking up a number of additions along the way. The Plaintiff claims to

have redacted these additions as he drafted the deposit copy of his registration, leaving only code that he had authored in 1990. Such redaction was not performed with reference to some other document, but solely from the Plaintiff's recollection. Certainly, "[o]nce a bona fide copy is made . . ., subsequent copies can be made by directly referring to that copy." *Kodadek,* 152 F.3d at 1212. But there must first be a bona fide copy from which to effect reproduction, and that is noticeably absent.

Instead, Tavory created a reconstruction that relied in substantial part on his memory and submitted that reconstruction in connection with his application. His attempt at registration is therefore invalid, and this Court has no choice but to dismiss the action for infringement for lack of subject matter jurisdiction. *Xoom, Inc. v. Imageline, Inc.,* 323 F.3d 279 (4th Cir. 2003); *see also Coles,* 283 F.3d 798 (6th Cir. 2002); *Seiler,* 808 F.2d 1316 (9th Cir. 1987).

Even if this Court were to have jurisdiction in the action for infringement, the Defendant has raised additional arguments that militate toward granting summary judgment. The first of these is equitable estoppel. To avail oneself of the estoppel defense, it must be shown: (1) that the plaintiff had actual or constructive knowledge of the truth of a matter; (2) that he misrepresented or concealed material facts to the defendant; (3) that he intended or expected the defendant to rely upon those misrepresentations or concealments; (4) that the defendant did so act; and (5) that his reliance was both reasonable and

detrimental. *See Elmore v. Cone Mills Corp.*, 187 F.3d 442, 446-47 (4th Cir. 1999) (citations omitted); *Serv. & Training, Inc. v. Data Gen. Corp.*, 963 F.2d 680, 689 (4th Cir. 1992) (citation omitted). The truth of the matter at issue in the instant proceedings is, of course, the authorship of the Push Software; the concealment, Tavory's long-standing silence as to his role in that authorship;[4] and the reliance, the frustration of NTP's ability to resolve attacks against the integrity of the patents-in-suit in one fell swoop, principally through *BlackBerry*.[5] The Plaintiff's delay in asserting his authorship has been excessive and unreasonable, and no satisfactory explanation has been offered.

The Court is deeply troubled by these circumstances. There are few coincidences in life, and the

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[4] The Push Software was conceived in 1990. Tavory was deposed in connection with *BlackBerry* in 2002. At no time during that 12-year period did the Plaintiff assert his authorship. Nor was the issue of authorship raised in 2002 when Tavory was confronted with a copyright claim that was inconsistent with his own (Pl.'s 2002 Dep., 26), or in the four years that followed. In fact, the first time that Tavory claimed to be the author of the source code was in 2006, after Mr. Campana had passed away, and after a healthy settlement between NTP and Research In Motion had been reached.

[5] The Defendant alleges that "if Tavory had timely asserted a claim that reproduction of the published [patents-in-suit] during the course of the patent litigation constituted infringement, NTP could and would have taken a number of steps that would have eliminated all such allegations," (Def.'s Br. in Support of Mot. for Summ. Judg., Docket Entry No. 86, 24), thereby obviating the need for the instant litigation.

timing of Tavory's assertions is far too convenient to avoid suspicion. Not only did the Plaintiff wait until after the death of Mr. Campana, who would surely have been a material witness, to stake his claim, the copyright registration was not filed until after NTP had entered into a nine-figure settlement with respect to the patents Tavory says infringe his rights. Despite these serious infirmities, the most damning evidence has been rendered by the Plaintiff himself. He has been deposed twice. On the first occasion, in 2002, Tavory testified that he could not remember whether he wrote the Push Software at Mr. Campana's direction, or to what extent he was involved in the authorship of the source code. (Pl.'s 2002 Dep. *passim.*) Four years later, the Plaintiff sat for another deposition, this time in connection with the present matter. In spite of the fact that it was then 2006, and that he was testifying about events that had happened 16 years previously, Tavory's memory was much clearer. (Pl.'s 2006 Dep. *passim.*)

It is said that "[e]quitable estoppel may deprive a plaintiff of an otherwise meritorious copyright infringement claim." *Service & Training*, 963 F.2d at 689. The force of equity is no less potent against claims that have no merit. Were this claim legally

competent, equity would compel dismissal with all due haste.[6]

The Defendant's remaining arguments as to copyright infringement address portions of the claim that should be dismissed, rather than the claim as a whole. The first argument is fair use.[7] It is alleged that NTP committed infringement "by licensing rights in the Push Software and/or in the Patents, inviting others to copy the Push Software, reproducing the Push Software, . . . making electronic copies of the Push Software[,] asserting ownership of the Push Software[,] and purporting to authorize others to exercise the exclusive rights in the Push Software." (Compl.¶ 41.) Tavory is not seeking damages for all acts of infringement that may have occurred since 1990; indeed, he cannot. Such a claim is expressly

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[6] It should be noted, for the sake of thoroughness, that the doctrines of laches and judicial estoppel would also have led to the same disposition.

[7] "The fair use of a copyrighted work . . . for purposes such as criticism, comment, news reporting, teaching . . . , scholarship, or research, is not an infringement of copyright." 17 U.S.C. § 107. Fair use exists as an affirmative defense to copyright infringement. *See, e.g., Louis Vuitton Malletier, S.A. v. Haute Diggity Dog, LLC*, 464 F.Supp.2d 495 (E.D.Va. 2006). It is argued that NTP waived this defense by neglecting its mention in the answer. However, the Court has been fully briefed by both parties on the matter, and it was addressed at the hearing on the Motion for Summary Judgment.

precluded by statute.[8] We are therefore concerned only with acts that may have occurred on September 20, 2006, the date on which this action was filed, or during the preceding three years.

Between 2003 and 2006, the Defendant was engaged in an action for patent infringement against Research In Motion. In the course of that litigation, copies of the patents-then-in-suit were made and distributed to the parties, to their experts, and to the Court. Those patents are alleged to have contained the source code for the Push Software, and it is the reproduction of that code during litigation for which Tavory seeks damages, at least in part.

There is some debate as to whether the reproduction of copyrighted material for the purposes of litigating an infringement action is a fair use. In order to determine whether the use made of a work is a fair use, the Court defers to the statutory guidelines and examines: (1) the purpose and character of the use; (2) the nature of the copyrighted work; (3) the amount and substantiality of the portion used in relation to the copyrighted work as a whole; and (4) the effect of the use upon the potential market for or value of the copyrighted work. 17 U.S.C. § 107. Upon due consideration of these aspects, the Court is of the opinion that the litigation-related conduct giving rise to the

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[8] "No civil action shall be maintained under the provisions of this title unless it is commenced within three years after the claim accrued." 17 U.S.C. § 507(b).

opportunities for which the code was copied was a fair use. At issue in *BlackBerry* was the security of NTP's patents; the adjudication of that dispute required the reproduction and dissemination of the patent applications, which necessarily set forth the code that Tavory claims to have authored. In addition, and despite the Plaintiff's suggestions to the contrary,[9] the character of the use was not commercial, nor was the potential market for or value of the software source code impaired. To the extent that the code was reproduced in anticipation of or preparation for litigation, that use was a fair use and there can be no liability for infringement.[10]

It is further alleged that acts of infringement were committed separate and apart from the context of litigation. In the three years spanning 2003 to 2006, the source code for the Push Software was

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[9] "NTP has transformed the courtroom into its boardroom." (Pl.'s Br. in Opp. to NTP's Mot. for Protective Order, Docket Entry No. 76, 2.)

[10] The Plaintiff has cited authority for the proposition that the use of copyrighted material in the course of litigation may fall outside the ambit of fair use, and thus expose the party who uses the copyrighted material to liability for infringement. *See, e.g., Images Audio Visual Prods. v. Perini Bldg. Co.*, 91 F.Supp.2d 1075 (E.D.Mich. 2000). The Court does not presume to announce a rule that categorically shields litigants from copyright liability through fair use. But where, as here, the works produced before the Court are material to the litigation, and where the party offering production of the work has done so without notice or knowledge of another's claim to copyright, the equities are in favor of fair use.

copied and distributed with regard to matters wholly unrelated to any pending litigation, but only as a constituent part of the patents that it serviced.[11] The issue with respect to this claim is not as to liability, but as to damages. Summary judgment is appropriate as to damages for infringement if the complainant offers only speculation as to the existence of a causal connection between the alleged infringement and any consequent revenues. *Bouchat v. Baltimore Ravens Football Club, Inc.*, 346 F.3d 514, 522-23 (4th Cir. 2003). Pursuant to an Order from this Court, NTP examined its files for the three-year period in question to determine whether any revenue could be attributed to its licensing of the patents-in-suit. None was identified. (Def.'s Memo. in Support of Mot. for Summ. Judg., Docket Entry 86, 13.) In opposition, the Plaintiff has offered certain expert testimony in order to show that there is some attributable revenue. After having considered the character of the testimony to be offered, though, the Court is convinced that it

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[11] "[P]atent and copyright laws protect distinct aspects of a computer program. Title 35 protects the process or method performed by a computer program; [T]itle 17 protects the expression of that process or method. . . . If the patentable process is embodied inextricably in the line-by-line instructions of the computer program, . . . then the process merges with expression and precludes copyright protection." *Atari Games Corp. v. Nintendo of Am., Inc.*, 975 F.2d 832, 839-40 (Fed.Cir. 1992) (citations omitted). The Defendant has not argued that the copyrightable elements of the patents-in-suit have merged into the patents themselves, and so the Court presumes that the intellectual property rights remain distinct.

would be tremendously speculative and therefore wholly unhelpful.

Ultimately, of course, that issue need not be resolved. The Plaintiff's action for copyright infringement is subject to dismissal on summary judgment on the bases of both law and equity.

IV.

The final set of claims before the Court arises in connection with the six disputed patents, for each of which the Plaintiff seeks his name to be joined as a co-inventor.[12] There is a strong presumption that those named in an issued patent are the true and correct inventors. *Hess v. Advanced Cardiovascular Sys., Inc.*, 106 F.3d 976, 980 (Fed.Cir. 1997). That presumption is not easily overcome.

The touchstone of inventorship is conception, *Burroughs Wellcome Co. v. Barr Labs., Inc.*, 40 F.3d 1223, 1227-28 (Fed.Cir. 1994), which is the formation in the mind of the inventor of a definite and permanent idea of the complete and operative invention, as it is from that time to be applied in practice. *Stern v.*

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[12] "Whenever . . . through error an inventor is not named in an issued patent and such error arose without any deceptive intention on his part, the Director may . . . issue a certificate correcting such error. . . . The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly." 35 U.S.C. § 256.

Trustees of Columbia Univ., 434 F.3d 1375, 1378 (Fed.Cir. 2006) (internal quotations and citation omitted). "[T]o be a joint inventor, an individual must make a contribution to the conception of the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention." *Fina Oil & Chem. Co. v. Ewen*, 123 F.3d 1466, 1473 (Fed.Cir. 1997). "This requires more than merely exercising ordinary skill in the art," *Caterpillar Inc. v. Sturman Indus., Inc.*, 387 F.3d 1358, 1377 (Fed.Cir. 2004), but an amount of contribution that is reasonably substantial. There is also an evidentiary requirement. Conception must be corroborated, preferably through evidence of a contemporaneous disclosure that would enable one skilled in the art to make the invention. *Burroughs Wellcome*, 40 F.3d at 1228. These aspects, conception and corroboration, must be proven by clear and convincing evidence.[13] *Hess*, 106 F.3d at 980.

This is an exacting burden, and it has not been carried. To begin with, conception is not a matter that may be simply assumed. The party seeking to be joined as an inventor must offer some evidence that his contribution to the patent was more than of the type of normal skill that would be expected of someone who is skilled in the art. *Fina Oil*, 123 F.3d at

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[13] A more demanding standard of review is required in this matter, as "[t]he inventors as named in an issued patent are presumed to be correct." *Hess v. Advanced Cardiovascular Sys., Inc.*, 106 F.3d 976, 980 (Fed.Cir. 1997) (citation omitted).

1473. During *BlackBerry,* Mr. Campana testified that the Plaintiff was among a pool of computer programmers employed in the course of the research and development of the Telefind laptop project. (*Blackberry* Trial Tr. 140-43.) These programmers wrote code at Mr. Campana's direction, and at the direction of Mr. Thelen and Mr. Ponschke. The Plaintiff did not attempt to rebut these assertions. He testified under oath in 2002 that he could not "remember one way or the other" as to whether he worked under the direction of Mr. Campana in 1990 (Pl.'s 2002 Dep. 45), and the Court is unaware of any position taken by the Plaintiff as to his membership in a pool of Telefind programmers in which all may have participated, to some degree, in writing code.

Corroboration has been equally problematic. Tavory has offered a number of statements from individuals who claim to have seen him using a wireless data device in the early months of 1990. The Plaintiff contends that this device was a prototype of the technology that Telefind wanted to cultivate for use with laptops, that he wrote the source code for this device, and that it was this code which evolved to become the Push Software. It should be noted that Tavory's device was technologically distinct from the wireless email systems that Mr. Campana and his associates patented, the most significant difference being that Tavory's device was not capable of receiving wireless email transmissions. And just as the Plaintiff did not retain any copies of the source code he had written in conjunction with the Telefind

project, he did not retain any information pertaining to the authorship of the code he wrote for his prototype device. In short, there is no credible evidence that can be offered establishing that Tavory participated in the conception of the wireless email systems, nor is there credible evidence that can be offered to corroborate his claim. No reasonable jury could find in the Plaintiff's favor given this evidentiary dearth. *See Anderson v. Liberty Lobby, Inc.*, 477 U.S. 242, 255, 106 S.Ct. 2505, 91 L.Ed.2d 202 (1986).

V.

For the foregoing reasons, summary judgment shall be entered for the Defendant as to each remaining count of the Complaint. An appropriate Order shall issue.

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY, Plaintiff, v. NTP, INC., Defendant.	Civil Action No.: 3:06-CV-628

MEMORANDUM OPINION & ORDER

(Filed Mar. 6, 2007)

THIS MATTER comes before the Court on Plaintiff OREN TAVORY's Motion for Leave to File an Amended Complaint, filed as Docket Entry No. 43, pursuant to Fed. R. Civ. P. 15(a). For the reasons stated herein, that Motion shall be DENIED.

Rule 15(a) provides that leave to amend a pleading "shall be freely given when justice so requires." Consistent with the Supreme Court's admonition in *Forman v. Davis,* 371 U.S. 178 (1962), this Court shall heed that mandate, *id.*, and deny a request for leave to amend only when it appears that granting leave will prejudice the opposing party, that the request has been made in bad faith, or that the request is futile. *Johnson v. Oroweat Foods Co.,* 785 F.2d 503, 509 (4th Cir. 1986); *see also Edwards v. City of Goldsboro,* 178 F.3d 231 (4th Cir. 1999). It is the

latter category with which the Court is immediately concerned.

By Order dated December 26, 2006, the Court dismissed Count IX of the Complaint, which was an action in equity for unjust enrichment arising under state law. That Order briefly discussed the exclusivity of the federal protection afforded to intellectual property, be it copyright or patent, and concluded that federal law will not countenance claims for relief that are inconsistent with those for which Congress has made explicit provision. Finding that the Plaintiff's action for unjust enrichment was inconsistent with those federal protections, the equitable claim was dismissed.

Now the Court is presented with a request for leave to amend that seeks in part to add a new and undefined equitable claim. In the Court's estimation, the proposed amendment appears to be little more than deja vu, a resurrection of the claim previously dismissed. Tavory insists otherwise and seeks to distinguish it on the basis of its legal predicate: the proposed claim arises under *federal* equitable principles, unlike its unsuccessful state-law predecessor. The Court understands the Plaintiff's argument, but is simply not persuaded. The previous equitable claim was dismissed not because of inconsistencies between state and federal laws, but because of inconsistencies between a federal law that is deemed to provide a complete, explicit, and exclusive remedy, on one hand, and any other source of law that attempts to address the same interests, on the other.

A demand for equitable relief in conflict with the scheme that Congress has established is therefore impermissible, regardless of whether the claim sounds in state or federal law.

The question that is therefore before the Court is whether the Plaintiff should be allowed pursuant to the Federal Rules' liberal standards to amend his Complaint in a fashion that is legally insufficient. This, in turn, leads us to futility as a basis on which to deny a motion to amend. There is a great deal of authority supporting the proposition that a motion to amend shall be properly denied when the proposed amendment could not withstand a Rule 12 motion to dismiss for failure to state a claim. *See, e.g., Schmidling v. City of Chicago,* 1 F.3d 494, 501 (7th Cir. 1993); *Moore v. Indiana,* 999 F.2d 1125, 1128 (7th Cir. 1993); *Sinay v. Lamson & Sessions, Co.*, 948 F.2d 1037, 1041-42 (6th Cir. 1991). Though scant, there is also similar authority in the Fourth Circuit. *Schieszler v. Ferrum Coll.,* 236 F. Supp. 2d 602 (W.D. Va. 2002). This Court will join those courts and hold that the failure to state a legally cognizable claim through the proposed amendment is a sufficiently futile basis on which to deny a motion to amend. Accordingly, the Plaintiff shall not be permitted to amend the Complaint to include his proposed demand for equitable relief.

For similar reasons, the Plaintiff's request to add Donald Stout as a party-defendant will also be denied. The second of Tavory's proposed amendments seeks to impose liability on Mr. Stout under a theory

of vicarious patent infringement. The Court has reviewed the briefs and the proposed pleadings, and upon due consideration has determined that the amendment fails to state a claim for which relief may be granted. As an aside, the Court is further troubled by the fact that the Plaintiff has waited so long since the commencement of this action to bring a new defendant into the matter. Regardless, this delay and any consequent prejudice are immaterial, since the cause of action itself is futile.

For these reasons and the foregoing, the Plaintiff's Motion to Amend shall be DENIED. Let the Clerk send a copy of this Order to all counsel of record.

It is SO ORDERED.

/s/ James R. Spencer
CHIEF UNITED STATES
DISTRICT JUDGE

ENTERED this 6th day of March 2007

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY,
Plaintiff,
v.
NTP, INC.,
Defendant.

Civil Action No.:
3:06-CV-628

MEMORANDUM OPINION & ORDER

(Filed Dec. 26, 2006)

THIS MATTER comes before the Court on two Motions to Dismiss filed by Defendant NTP, INC. The first motion, filed as Docket Entry No. 6, seeks dismissal of the Plaintiff's unjust enrichment claim. The second, filed as Docket Entry No. 17, seeks dismissal of the copyright claim. For the reasons stated briefly herein, it is the judgment of this Court that the Plaintiff's unjust enrichment claim shall be DISMISSED. The Defendant's Motion to Dismiss that count is accordingly GRANTED. The Defendant's Motion to Dismiss the copyright claim, however, shall be DENIED.

The Defendant's Motions have been filed pursuant to Fed. R. Civ. P. 12(b)(6). This Court has therefore construed the facts and drawn inferences from those facts in the light more favorable to Tavory as the non-moving party.

The matter before the Court is peripheral litigation related to the recently settled dispute between NTP and Research In Motion, Inc. Tavory alleges that he was the author and co-inventor of source codes that, over time, have evolved to become the software that supports NTP's modern wireless communication technology. At its heart, then, this dispute implicates copyright protection and whether Tavory has a claim to the software at issue within the scope of that protection.

The Defendant has moved to dismiss Tavory's claim for copyright infringement on several grounds that appear to be contradictory. NTP submits that the copyright claim should be considered time-barred by the applicable statute of limitations while simultaneously arguing that the Complaint is insufficient for failing to state dates certain on which allegedly infringing acts occurred. The fact of the matter is that there is simply not enough information available at this time to discern whether there is any basis for these objections. Discovery at this stage in the litigation is barely underway, and we should not expect the Plaintiff to state with conviction specific dates on which infringing acts occurred. Instead, it is sufficient that the Plaintiff has alleged on information and belief that infringing acts have occurred within the limitation period. Accordingly, the Defendant's Motion to Dismiss the claim for copyright infringement is DENIED.

The Defendant has also moved to dismiss Tavory's state-law claim for unjust enrichment on the

basis of federal copyright preemption. To determine whether a state-law claim is preempted by federal copyright law, the Fourth Circuit engages in a two-step analysis pursuant to Title 17, United States Code § 301. *U.S. ex rel. Berge v. Bd. of Trustees,* 104 F.3d 1453 (4th Cir. 1997). A state-law claim is preempted if (1) the work at issue is within the scope of the subject matter of copyright, and (2) the rights granted under state law are equivalent to any exclusive rights within the scope of federal copyright as set out in Title 17. A right granted under state law is not equivalent to exclusive rights within the scope of federal copyright law when there is "an extra element" that changes the nature of the state-law action so that it is qualitatively different from a copyright infringement claim. *Id.*

It is beyond question that the matter before this Court is within the scope of the subject matter of copyright. The crux of the analysis is therefore whether the rights granted under state and federal law are equivalent. If so, then state law is preempted and must necessarily give way to federal.

Tavory has raised the issue, and it is worth briefly considering, as to which state's substantive law regarding unjust enrichment should be applied. Tavory submits that this Court should look to Florida; NTP proposes Virginia. The Court has compared Florida's action for unjust enrichment with Virginia's and has found that there is no material difference. *Compare Montage Group, Ltd. v. Athle-Tech Computer Sys.. Inc.,* 889 So. 2d 180 (Fla. Dist. Ct. App.

2004), *with Kern v. Freed Co.*, 299 S.E.2d 363 (Va. 1983). Seeing no conflict of law, this Court declines the invitation to resolve an illusory dispute.

Returning to the preemption analysis, there appears to be no qualitative difference between the rights provided under state law and the exclusive rights set forth within the scope of federal copyright law. The state and federal causes of action are predicated on the same acts of alleged copyright infringement; these actions seek the same remedy; and the measure of damages under either action would presumably be calculated in the same manner. There is simply no extra element that can be used to distinguish the state-law cause of action from the federal.

The Defendant has also suggested that Tavory's claim for unjust enrichment is preempted by federal patent law. State-law claims are neither explicitly nor categorically preempted by federal patent law. *See* 35 U.S.C. § 1 *et seq.* (2000). But a state may not offer patent-like protection to intellectual creations that would otherwise remain unprotected as a matter of federal law. *Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 342 F.3d 1298, 1305 (Fed. Cir. 2003) (citing *Bonito Boats, Inc. v. Thunder Craft Boats, Inc.*, 489 U.S. 141, 156 (1989)).

The Plaintiff asserts that his claim for unjust enrichment is not preempted by federal patent law and cites *American Cyanamid* as support for that proposition. In *American Cyanamid*, the Federal Circuit upheld an award of damages pursuant to an

unjust enrichment claim arising from a dispute between the inventors of a formula for vitamin supplements, who were professors at the University of Colorado, and American Cyanamid. The professors alleged that they had disclosed the formula to American Cyanamid in confidence, and that American Cyanamid subsequently obtained a patent on the formula and engaged in marketing. The Federal Circuit declined to apply preemption, reasoning that the professors' claim for unjust enrichment was founded on the breach of confidentiality and did not tread upon the three aims of patent protection: (1) to foster and reward invention; (2) to stimulate further innovation; and (3) to ensure free use of ideas in the public domain.

Tavory submits that his case is no different, that his claim for unjust enrichment is similarly predicated on a breach of confidentiality, and that this Court should therefore adopt the reasoning applied in *American Cyanamid* as well as its result. The Court disagrees. In the first instance, Paragraph 45 of the Complaint clearly states the basis of the instant dispute; NTP has allegedly "failed or refused to pay Tavory fair compensation for its use of Tavory's invention and of the Push Software." Nowhere is "breach of confidentiality" cited as the impetus for the present civil action.

But there is a more significant distinction between *American Cyanamid* and the case at bar. In the former, there was no doubt that the Colorado professors were the true and exclusive inventors of the

formula at issue. In the latter, Tavory is attempting to be recognized as one of several inventors of the patents at issue. Assuming for the sake of argument that the Plaintiff is joined as an inventor, Tavory seeks to use that status to seek compensation from NTP for receiving a legitimate transfer of rights and interests from Tavory's co-inventors. This is unambiguously prohibited by federal patent law.

Title 35, United States Code § 262 states that "[i]n the absence of any agreement to the contrary, each of the joint owners of a patent may make, use, offer to sell, or sell the patented invention . . . without the consent of and without accounting to the other owners." Federal patent law defines patent ownership, and it describes the rights appertaining to that ownership. To the extent that unjust enrichment seeks to accomplish the same interests, state law is displaced.

Neither party has suggested that the transfer of interest in the disputed patents to NTP was improper. Nor is it alleged that Tavory had an agreement with his putative co-inventors that restricted their individual abilities to effect a transfer of rights or interest in those patents. Having no federal recourse against his alleged associates, Tavory has attempted to make an end-run around patent protections by way of the state-law unjust enrichment claim. While clever, it is impermissible and must be dismissed pursuant to the doctrine of conflict preemption under federal patent law.

Accordingly, the state-law cause of action is preempted under both federal copyright and patent law. The Defendant's Motion to Dismiss the claim for unjust enrichment is hereby GRANTED.

Let the Clerk send a copy of this Order to all counsel of record.

It is SO ORDERED.

/s/ James R. Spencer
CHIEF UNITED STATES
DISTRICT JUDGE

ENTERED this 26th day of December 2006

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

OREN TAVORY,	)	
Plaintiff,	)	
	)	Civil Action No.
v.	)	3:06CV628
	)	
NTP, INC.,	)	
Defendant.	)	

PLAINTIFF'S MOTION FOR LEAVE TO FILE AMENDED COMPLAINT

(Filed Feb. 6, 2007)

Plaintiff Oren Tavory ("Tavory"), by counsel, hereby moves this Court for leave to file the First Amended Complaint attached hereto as explained more fully in the Memorandum in Support.

WHEREFORE, Tavory prays that the Court grant this Motion and direct the clerk to file the First Amended Complaint.

OREN TAVORY

By: /s/ Dana D. McDaniel
Counsel

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CERTIFICATE OF SERVICE

I hereby certify that on this 6th day of February, 2007, I caused the foregoing to be served as follows:

By email and U.S. Mail on:

James H. Wallace, Jr.
John B. Wyss
Kevin P. Anderson
Wiley Rein & Fielding LLP
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Washington, DC 20006

and

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By hand on:

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/s/ Dana D. McDaniel
Counsel

Exhibit A

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

OREN TAVORY,	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No.
	)	3:06CV628
NTP, INC. AND	)	
DONALD E. STOUT.	)	
	)	
Defendants.	)	

FIRST AMENDED COMPLAINT

Plaintiff, Oren Tavory ("Tavory"), by counsel, files this First Amended Complaint against Defendant, NTP, Inc. ("NTP") and Donald E. Stout ("Stout") and alleges as follows:

NATURE OF THE ACTION

1. Tavory is a co-inventor of one or more of the inventions claimed in each of United States Patents 5,436,960, 5,438,611, 5,625,670, 5,631,946, 5,819,172, 6,067,451 and 6,317,592 ("the Patents"). NTP is the owner of each of the Patents by assignment from the original patent applicants. Tavory contributed to the conception and reduction to practice of one or more of the inventions claimed in each of the Patents; yet, through omission, inadvertence and/or error, he is not identified as a co-inventor in any of the Patents or the

applications from which they issued. As an unnamed co-inventor, Tavory seeks, *inter alia*, entry of an order directing the Commissioner of Patents and Trademarks of the U.S. Patent and Trademark Office to correct the Patents to name Tavory as a co-inventor and an order compelling NTP to disgorge such portion of the proceeds it has derived from exploiting the Patents as is equitable under the circumstances.

2. Additionally, original computer source code authored by Tavory relating to his inventive contributions to the Patents was knowingly included by the late Thomas Campana Jr. and his patent attorney, Stout, as part of the patent applications that culminated in the issuance of the Patents. Neither Campana nor Stout requested or received Tavory's permission to incorporate his source code within the patent applications. Five of the seven Patents which issued included as part of their written description substantial reproductions of verbatim lines of Tavory's source code without his permission. During at least the last three years prior to the filing of the original complaint in this action, NTP, under the direction and supervision of Stout and the late Thomas Campana and/or his estate, has engaged in a systematic campaign to commercialize the Patents, including the offers to license, licensing and enforcement of rights to these Patents (the "Licensing Campaign"). A necessary and integral part of this licensing and enforcement strategy is the electronic and hard copy reproduction and display of the Patents as part of, *inter alia*, commercial offers to license

the Patents, requests to consultants to study the Patents, requests to experts to opine on the Patents, and inter-office communications among lawyers retained by NTP to conduct the Licensing Campaign.

JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 1331 and 1338(a) because this case arises under the United States patent and copyright laws.

4. NTP is subject to personal jurisdiction, and venue is proper in the Eastern District of Virginia pursuant to 28 U.S.C. § 1391 because NTP is domiciled and conducts business in this District and in the Alexandria Division where this suit was filed. The suit was transferred to this Division by Court Order.

5. Stout is subject to personal jurisdiction in this Court because he resides in the Commonwealth of Virginia and directed the Licensing Campaign and copying activities described below in and from Virginia.

THE PARTIES

6. Tavory is an individual who resides in the State of Florida.

7. NTP is a Virginia corporation with its principal place of business in McLean, Virgina [sic]

8. Donald Stout is an individual who resides in the Commonwealth of Virginia. Moreover, Stout engaged in the Licensing Campaign described below in and from Virginia.

FACTUAL BACKGROUND

9. Tavory designs, develops and programs computer software. Tavory graduated from the University of Miami in 1985 with a degree in Computer Information Systems. He programs in multiple programming languages, including C, Cobol, Power Builder, Basic, Visual Basic, Informix 4GL, UNIX shell programming and RPG, and has extensive experience programming in a UNIX environment and working with Informix DBMS.

10. In approximately 1989-1990, Tavory began working as an independent consultant for Telefind Corp. ("Telefind"). Telefind was a Florida corporation based in Coral Cables [sic], Florida, which operated a nation-wide paging network.

11. As a consultant to Telefind, Tavory helped to maintain and make corrections to the Telefind billing and polling software systems. The polling system insured the proper operation of the numerous paging personal computers used in the Telefind paging network throughout the United States. The polling system, which was automatically scheduled to run at a pre-determined time by a program operating on an AT&T 3B2 computer, called each personal computer in the paging network to determine whether the

computer would answer the call and then would make a report of the results of its calls. The report could be viewed on a terminal screen, a computer printout or in an email account on a terminal in Telefind's internal email network in its offices in Coral Gables.

12. While working as an independent consultant for Telefind, Tavory conceived the idea of sending emails from the 3B2 computer to his pager, so that he could review emails while he was away from the Telefind office. Telefind had a paging network in place but it was not utilized for emails, nor had anyone conceived the idea of using the paging network for the transmission of emails prior to Tavory conceiving the idea to do so. Tavory created the concept of sending an email from a computer to a pager wirelessly and implemented the concept by writing code that processed an incoming email and pushed it automatically to the paging network, resulting in the email appearing on the pager (hereinafter "Push Software"). A copy of Tavory's code which implemented his concept and pushed the email onto the paging network is attached as Exhibit A to this Complaint (hereinafter the "Push Software Code").

13. Tavory used his wireless email invention to send emails to his pager so that he could review email messages from others at Telefind while he was out of the office and could review email messages from the polling system while he was out of the office.

14. After Tavory created his wireless email invention and before anyone applied for the Patents, many employees of Telefind saw Tavory's wireless email invention in operation, including, but not limited to, Ted Andros (Vice President), Paul Weitzner (Accounting Manager), Beverly Clair (Executive Assistant to Ted Andros) and Russell Dennart (Network Operations Manager). Another computer consultant, David Levine, also saw Tavory's wireless email invention in operation.

15. Subsequently, Telefind approached AT&T to enhance the sale of the AT&T Safari laptop computer by enabling it to receive wireless emails through a cable connected to a Telefind pager, creating a mobile office. AT&T saw Tavory's wireless email invention in operation and wanted to refine it to work with the AT&T mail system and to work with the Safari laptop computer.

16. On a confidential basis, Tavory worked with ESA, which provided hardware components to Telefind under contract, on the AT&T project. Tom Campana was the president of ESA and a Vice President of Telefind. Mike Ponschke and Gary Thelen were computer programmers for ESA who worked on the AT&T project.

17. On a confidential basis, Tavory continued to enhance the Push Software and Push Software Code to facilitate its use with the AT&T network. Thelen and Ponschke wrote software that transferred the email message received on the pager to the laptop so

that it could be viewed on the laptop. Campana engineered circuitry used in the pagers and the hardware used in the personal computers used in the Telefind paging network. Problems with the hardware provided by ESA to Telefind which were used in the Telefind paging network created instability in the wireless email technology. AT&T stopped pursuing the wireless email project and Telefind, claiming a lack of funding, stopped paying its workers, including Tavory. Tavory could not afford to go without pay, so in early 1991, he ceased further work on the Telefind project.

18. Tavory never sought to exploit his Push Software publicly in any way, and at all times relevant to this Complaint kept the Push Software confidential. He never disclosed the Push Software to the public at large.

19. At some time after Tavory terminated his dealings with Telefind, unbeknownst to Tavory and in violation of the confidential basis upon which Tavory provided him with access to the Push Software, Tom Campana applied for the Patents. The Patents identify Campana, Ponschke and Thelen as inventors but fail to identify Tavory as an inventor. Tavory was not informed of the application for any of the Patents at issue and had no knowledge that the Patents at issue had been applied for or were issued.

20. Campana retained Donald Stout to assist in the preparation and prosecution of the patent applications that culminated in the issuance of the

Patents. Without Tavory's knowledge or consent, Campana and Stout knowingly included substantial components of the Push Software Code within at least five of the patent applications in question, resulting in the issuance of at least five of the Patents that contain substantial amounts of the Push Software Code.

21. Stout and Campana formed NTP to hold the Patents and to assist Campana and Stout in engaging in the Licensing Campaign. Upon information and belief Stout knew when he was applying for the Patents that the Patents would be assigned to a company which Stout and Campana would form and that Stout would have a significant ownership interest in that company. The Patents were assigned to NTP by Campana. Upon information and belief, Campana and Stout together controlled NTP and owned the majority of its stock.

22. At all relevant times Campana and Stout knew of Tavory's contributions to the inventions. NTP had knowledge at all relevant times of all facts regarding Tavory and his contribution to the inventions that were known to Campana and to Stout.

23. NTP, under the direction and supervision of Donald Stout, has engaged in a campaign to commercialize the Patents, including the offers to license, licensing and enforcement of rights to these Patents. A necessary and integral part of this licensing and enforcement strategy is the electronic and hard copy

reproduction and display of the Patents, including the Push Software Code contained therein.

24. Tavory contributed to the conception of the inventions reflected in the Patents.

COUNT I
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 5,436,960

25. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

26. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,436,960, and those contributions were communicated to and shared with Campana prior to the application for that patent.

27. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

28. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 5,436,960. By his exclusion from Patent No. 5,436,960 Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a

right to an equitable remedy against the defendants for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,436,960 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 5,436,960 retroactive to the issuance of the patent, awarding Tavory his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT II
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 5,438,611

29. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

30. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,438,611, and those contributions were communicated to and shared with Campana prior to the application for that patent.

31. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding

Letters of Patent issued by the United States Patent and Trademark Office.

32. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 5,438,611. By his exclusion from Patent No. 5,438,611, Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a right to an equitable remedy against the defendants for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,438,611 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 5,438,611 retroactive to the issuance of the patent, awarding Tavory his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT III
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 5,625,670

33. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

34. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,625,670, and those contributions were communicated to and shared with Campana prior to the application for that patent.

35. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

36. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 5,625,670. By his exclusion from Patent No. 5,625,670. Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a right to an equitable remedy against the defendants for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,625,670 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 5,625,670 retroactive to the issuance of the patent, awarding Tavory

his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT IV
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 5,631,946

37. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

38. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,631,946 and those contributions were communicated to and shared with Campana prior to the application for that patent.

39. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

40. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 5,631,946. By his exclusion from Patent No. 5,631,946. Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a right to an equitable remedy against the defendants

for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,631,946 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 5,631,946 retroactive to the issuance of the patent, awarding Tavory his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT V
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 5,819,172

41. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

42. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,819,172, and those contributions were communicated to and shared with Campana prior to the application for that patent.

43. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding

Letters of Patent issued by the United States Patent and Trademark Office.

44. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 5,819,172. By his exclusion from Patent No. 5,819,172. Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a right to an equitable remedy against the defendants for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No, 5,819,172 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 5,819,172 retroactive to the issuance of the patent, awarding Tavory his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT VI
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 6,067,451

45. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

46. Tavory made an independent conceptual contribution to the inventions described in Patent No. 6,067,451, and those contributions were communicated to and shared with Campana prior to the application for that patent.

47. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

48. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 6,067,451. By his exclusion from Patent No. 6,067,451. Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a right to an equitable remedy against the defendants for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 6,067,451 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 6,067,451 retroactive to the issuance of the patent, awarding Tavory

his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT VII
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 6,317,592

49. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

50. Tavory made an independent conceptual contribution to the inventions described in Patent No. 6,317,592, and those contributions were communicated to and shared with Campana prior to the application for that patent.

51. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

52. By virtue of his co-inventorship, Tavory has equitable title to Patent No. 6,317,592. By his exclusion from Patent No. 6,317,592. Tavory was unjustly deprived of the rights of a co-owner of legal title in such patent, including the right to participate in infringement litigation and to compete for licenses with his co-inventors who became co-owners of legal title in the patent and their assignees. Tavory has a right to an equitable remedy against the defendants

for his exclusion as a co-owner of legal title to such patent.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 6,317,592 by adding Oren Tavory as a co-inventor, and granting Tavory equitable relief by declaring him equitable title holder of Patent No. 6,317,592 retroactive to the issuance of the patent, awarding Tavory his pro-rata share of the proceeds of any profit derived from the patent and any other equitable remedy this court deems just.

COUNT VIII
COPYRIGHT INFRINGMENT [sic]

53. Tavory realleges paragraphs 1-24 above as if fully set forth herein.

54. Tavory's Push Software Code is a proper subject matter for copyright under the laws of the United States. Tavory is the sole author of the Push Software Code and owns the copyright in the Push Software.

55. Tavory complied in all respects with the Copyright Act, 17 U.S.C. §101, *et. seq.* and secured copyright registration in the Push Software Code. The Push Software Code is an original work of authorship, copyrightable under the Copyright Act, and has been registered in compliance with the Copyright

Act. The Push Software Code was assigned copyright registration number TXU1306157.

56. Tavory has not granted permission to NTP to use, copy, distribute, display, license, sublicense or to otherwise share in or exercise any of Tavory's exclusive rights in the Push Software Code granted under the Copyright Act.

57. NTP has infringed Tavory's copyright in the Push Software Code in violation of the Copyright Act, 17 U.S.C. §101 *et. seq*, by licensing rights in the Push Software Code and/or in the Patents, inviting others to copy the Push Software Code, reproducing the Push Software Code, upon information and belief, making electronic copies of the Push Software Code and asserting ownership of the Push Software Code and purporting to authorize others to exercise the exclusive rights in the Push Software Code reserved by the Copyright Act to the copyright owner or its licensees.

WHEREFORE, Tavory requests that this court enter a temporary and permanent injunction (1) prohibiting NTP and all persons acting in concert with it from possessing, copying, disclosing, licensing, displaying, publishing, distributing, or using the Push Software Code and (2) compelling NTP to return to Tavory all copies of the Push Software Code in its possession, custody or control. Tavory further requests that this court (1) award Tavory damages pursuant to 17 U.S.C. 504, including but not limited to actual damages to compensate for the unlawful use

of the Push Software Code, infringer profits, statutory damages and attorney's fees for any and all acts of copyright infringement occurring after the date of registration; and (2) award Tavory a permanent injunction barring further violations of Tavory's exclusive rights under the Copyright Act; and (c) such other and further relief as the court deems just and proper.

COUNT IX
INDIRECT COPYRIGHT INFRINGEMENT

58. Tavory realleges paragraphs 1-24 and 53-57 above as if fully set forth herein.

59. Stout had the right and ability to supervise the Licensing Campaign, including the copying of the Push Software Code and as an owner of a substantial amount of shares of stock in NTP, an obvious and direct financial interest in the exploitation of the copyrighted materials.

60. Stout, with knowledge of the infringing activity described above, induced, caused, or materially contributed to the infringing conduct of NTP and those persons engaged in the Licensing Campaign, and so is liable for contributory copyright infringement.

WHEREFORE, Tavory requests that this court enter a temporary and permanent injunction (1) prohibiting Stout and all persons acting in concert with him from possessing, copying, disclosing, licensing,

displaying, publishing, distributing, or using the Push Software Code and (2) compelling Stout to return to Tavory all copies of the Push Software Code in his possession, custody or control. Tavory further requests that this court (1) award Tavory damages pursuant to 17 U.S.C. 504, including but not limited to actual damages to compensate for the unlawful use of the Push Software Code, infringer profits, statutory damages and attorney's fees for any and all acts of copyright infringement occurring after the date of registration; and (2) award Tavory a permanent injunction barring further violations of Tavory's exclusive rights under the Copyright Act; and (c) such other and further relief as the court deems just and proper.

JURY TRIAL DEMAND

Tavory demands a trial by jury on all issues so triable.

DATED: February 6, 2007 /s/ Dana D. McDaniel

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Counsel for Plaintiff Oren Tavory

[Exhibit A, computer code, follows]

```
1  /*************************************************************************** ******
2  *
3  *    Program name: telemail.c    network mail pickup
4  *    Description: program searches the passed "mail" file and extracts
5  *                 the message from it. a message is delimited by the words
6  *                 "message length" and "From". those messages are then
7  *                  out on the telefind network.
8  *    author: Oren Tavory
9  *    site: telefind.corp
10 *    modification history:
11 *
12 ***************************************************************************/
13 #include <stdio.h>
14 #include <string.h>
15 #include <ctype.h>
16
17 #define MAXMSGLEN 512
18 #define MAXLINELEN 512
19
20 void main(argc,argv)
21 int argc;
22 char argv[];
23 {
24    FILE *fp;
25    char *buff;
26    char *mesg;
27    int in_header;
28
29    /* make sure user passed filename to be converted */
30    if(argc != 2) {
31       printf("telemail ERROR: Usage: telemail mail-filename\n");
32       exit(1);
33    }
34
35    /* open the mail file */
36    if((fp = fopen(argv[1], "r")) == NULL) {
37       printf("telemail error: cant open mail file %s\n", argv[1]);
38       exit(2);
39    }
40
41    /* allocate read buffer that will hold each line of the file */
42    if((buff = (char *) malloc( MAXLINELEN * sizeof(char))) == NULL) {
43       printf("telemail error: cant allocate memory for buffer\n");
44       exit(3);
45    }
46
47    /* allocate buffer for message to be stored */
48    if((mesg = (char *) malloc( MAXMSGLEN * sizeof(char))) == NULL) {
49       printf("telemail error: cant allocate memory for message\n");
50       exit(4);
51    }
52
53    /* since your just starting clear the message area */
54    memset(mesg, NULL, MAXMSGLEN);
```

```
55
56      /* keep on geting lines from the file until you reach end of file */
57      while(getline(buff, fp) != -1) {
58
59          /* every mail message start with the word "From " */
60          if(strncmp(buff, "From ", 5) == 0) {
61              /* set flag telling you are currently going thru mail header
62                 so you dont add it to the message */
63              in_header = 1;
64              /* call routine to the last message if any exists */
65          send_mesg(mesg);
66              continue;
67          }
68
69          /* a mail header and with the following string */
70          if(strncmp(buff, "Contant-Length:", 15) == 0) {
71              /* turn off flag so you know you are no longer in mail
72                 message header */
73              in_header = 0;
74              /* clear the old message since this is a new one */
75              memset(mesg, NULL, MAXMSGLEN);
76              continue;
77          }
78
79          /* if the line you are new reading is not part of the mail header
80             add it to the message */
81          if(in_header == 0) {
82              strjust(buff, 512);
83              strtrim(buff);
84              /* make sure you dont add more than the message length */
85              if( (strlen(buff) + strlen(mesg)) < MAXMSGLEN) {
86                strcat(mesg, " ");
87                strcat(mesg, buff);
88              }
89          }
90
91      } /* end of read line while */
92
93      /* send the last message in the file */
94      send_mesg(mesg);
95
96  }
97
98  /*************************************************************************
99  *
100 *   function: send_mesg(message-pointer)
101 *   arguments: pointer to text message(capcode/text) to be sent
102 *   description: takes passed message text makes sure the first 8 positions
103 *                are numeric(capcode). It builds and executes the network
104 *                send command(setsend.sh) to sedn the message passed.
105 *   returns: 0 if not sent otherwise the number of characters sent out
106 *
107 *************************************************************************/
108 int send_mesg(mesg)
```

```
'09  char *mesg;
.10  {
111     char sys_command[700];
112     int i;
113     int ch;
114     char *mesg_ptr;
115
116     /* left justify the message passed to remove leading spaces */
117     strljust(mesg, 512);
118     /* trim off trailing blank spaces from the message */
119     strtrim(mesg);
120
121     /* make sure you have a capcode at least */
122     if(strlen(mesg) > 8) {
123
124        /* start to build the command to be executed to send message retreie
125           from the mail box */
126        strcpy(sys_command, "netsend.sh ");
127
128        /* loop while still more characters in the message */
129        for(mesg_ptr = mesg, i = 11; *mesg_ptr != NULL; i++, mesg_ptr++) {
130
131            /* make sure the first 8 positions of the message are numeric */
132            if((i < 19) && (*mesg_ptr < '0' || *mesg_ptr > '9')) {
133                printf("telemail error: inavlid capcode: %s\n", mesg);
134                return 0;
 35             }
136
137             /* is the user didsnt seperate capcode & message then insert a
138                space into the command */
139             if(i == 19 && *mesg_ptr != ' ') {
140                sys_command[19] = '\'';
141                i = 20;
142             }
143
144             /* enclose the users message with '\so shell wont interpet
145                special characters */
146             if (i == 20) {
147                sys_command[20] = '\'';
148                i = 21;
149             }
150
151            /* put the character from the message onto to the
152               command to be executed */
153               sys_command[i] = *mesg_ptr;
154
155        }
156
157        /* mark the end of the command line you built,so you can add ending
158           delimiter */
159        sys_command[i] = NULL;
160        /* add the ending quote for the users message so shell wont
161           interepert special characters */
162        strcat(sys_command, "\'");
```

```
163         /* execute command you built */
164         system(sys_command);
165
166         printf("sending message: %s\n", sys_command);
167
168       }
169       else {
170          if(strlen(mesg) == 0) {
171             return(0);
172          }
173          /* print error for invalid message length */
174          printf("telemail error: invalid message length: %s\n", mesg);
175          return(0);
176       }
177
178       return(1);
179    }
180
181    /*****************************************************************************
182    *
183    *   function: getline(hold-buffer, input-file-pointer)
184    *   arguments: pointer to buffer where line read will be heald,
185    *              file pointer to input file
186    *   description: reads 1 line of text from the input line and stores the
187    *                line read into the buffer passed.
188    *   returns: -1 if EOF or number of characters read in
189    *
190    *****************************************************************************/
191    getline(buff, fp)
192    char *buff;
193    FILE *fp;
194    {
195       int ch, cnt;
196
197       /* keep on reading characters from file so long as end of file not
198          reached or char is the end of line */
199       for(cnt = 0; ((ch = fgetc(fp)) != EOF) && ch != '\n'; cnt++) {
200           buff[cnt] = ch;
201       }
202       /* mark the end of the buffer you built */
203       buff[cnt] = '\0';
204
205       if(ch == EOF) {
206         return (-1);
207       }
208       else {
209         return(cnt);
210       }
211
212    }
213
```

IN THE UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
Richmond Division

OREN TAVORY, Plaintiff, v. NTP, INC., Defendant.	)	Civil Action No. 3:06CV628

MEMORANDUM IN SUPPORT OF PLAINTIFF'S MOTION FOR LEAVE TO FILE AMENDED COMPLAINT

(Filed Feb. 6, 2007)

Plaintiff Oren Tavory ("Tavory"), by counsel, submits this Memorandum in Support of his Motion for Leave to File a First Amended Complaint.

I. INTRODUCTION

Tavory filed the Complaint in this action on September 20, 2006.[1] In the Complaint, Tavory asserts eight counts: Counts I-VII seek to correct seven patents (the "NTP Patents") owned by Defendant

[1] Tavory filed the Complaint in the Alexandria Division. The case was transferred to the Richmond Division and initially assigned to the Honorable Henry E. Hudson. On November 8, 2006, Judge Hudson entered an Order transferring this case to this Court.

NTP, Inc. ("NTP") to name Tavory as a co-inventor; a second count incorrectly designated "Count VII" (hereinafter referred to as "Count VIII") asserts a claim for copyright infringement; and Count VIII (hereinafter referred to as "Count IX") asserts a state law claim for unjust enrichment. NTP moved to dismiss Counts VIII and IX pursuant to Fed. R. Civ. P. 12(b)(6). The Court heard oral argument on NTP's motions on December 20, 2006. On December 26, 2006, the Court entered a Memorandum Opinion and Order denying NTP's motion to dismiss Count VIII and granting NTP's motion to dismiss Count IX. The basis for the Court's dismissal of Count IX was its determination that Tavory's state law unjust enrichment claim is preempted by the Patent Act.

In this motion, Tavory seeks leave to amend the Complaint to seek equitable relief under federal law and to name Donald Stout as a defendant for indirect copyright infringement. As more fully explained below, an unnamed co-inventor of a patent holds equitable, as opposed to legal, title to the patent from the date of issuance. Because his omission from the patent deprives him of legal title to the patent, he is unable to exercise the rights of a patent owner, e.g. he cannot license the patent, he cannot enforce the patent, and as occurred with respect to the patents-in-suit, the patents can be litigated and that litigation settled without his participation. In the present case, Tavory is entitled to disgorgement of a proportional share of the revenues NTP has earned from licensing the NTP Patents and through settlements of

litigation involving the NTP Patents, to which, had he been named as a co-inventor, Tavory would have been a necessary party. *See, infra, Ethicon, Inc.,* 135 F.3d at 1467. Prosecuting a patent infringement claim is not among the rights a joint owner can exercise without accounting to other joint owners under Section 262, and therefore, Section 262 does not limit Tavory's equitable right to an accounting and disgorgement of the revenues NTP has earned through patent litigation.

Tavory seeks leave to amend his Complaint solely to add a prayer for the equitable relief to which he is entitled if the Court determines that he is a co-inventor of one or more of the NTP Patents and to name Donald Stout as a co-defendant for his participation in the copyright infringement already alleged in the Complaint. Such amendment will not add new substantive claims, will not delay the trial of the case, will not prejudice NTP and is decidedly in furtherance of the interests of justice.

II. STATEMENT OF RELEVANT FACTS

In the Complaint, Tavory alleges that he conceived of the idea of "pushing" email wirelessly to a handheld device, and that he single-handedly reduced that idea to practice before he shared it with the other inventors of the NTP Patents. He further alleges that he conceived and reduced this invention to practice at a time when he was an independent consultant to Telefind, Inc., a company which, at the

time, operated a paging network. Using his own software, Tavory was able to push emails from his workstation at Telefind to his pager and to review those emails on the pager itself.

After sharing his invention with others at Telefind, Tavory was asked to assist Telefind on a project designed to enable Telefind to push emails across its pager network to handheld pagers that could be linked by cable to a laptop computer. Working with the software he had already written to push his own emails to his personal pager, Tavory modified that software to enable it to work for the Telefind project.

Tavory's code is the very heart of each of the NTP Patents. Yet, although his software formed the foundation for the NTP Patents, Tavory was not disclosed as a co-inventor in the patent applications and is not named as an inventor on the issued patents. Accordingly, although Tavory has held equitable title to the NTP Patents since they were issued, he has been deprived of his rightful ownership of legal title to the Patents and, therefore, of the ability to exercise the rights conferred on co-owners under Section 262 of the Patent Act.

Donald Stout is the attorney who applied for the Patents for Thomas Campana and who created NTP with Campana to hold the patents. Stout and Campana together own the majority of the stock of NTP. Stout directed the licensing campaign which caused the copying of Tavory's Push Software Code. The proposed amendment alleges that Stout is liable with

NTP for the copyright infringement previously plead in the Complaint.

III. STANDARD OF REVIEW

Rule 15(a) of the Federal Rules of Civil Procedure states that leave to amend shall be "freely granted when justice so requires." "The prevailing view is that '[a] liberal, pro-amendment ethos dominates the intent and judicial construction of Rule 15(a).'" *Vanguard Military Equip. Corp. v. David B. Finestone Co., Inc.*, 6 F. Supp. 2d 488, 492 (E.D. Va. 1997), (quoting 3 *Moore's Federal Practice* § 15.14[1] (3d ed.1997) and citing *Ward Electronics Service, Inc. v. First Commercial Bank,* 819 F.2d 496, 497 (4th Cir.1987)). The Fourth Circuit standard for granting a motion to amend under Rule 15(a) was set forth in *Edwards v. City of Goldsboro,* 178 F.3d 231 (4th Cir. 1999):

> Under Federal Rule of Civil Procedure 15(a), leave to amend a pleading "shall be freely given when justice so requires." Fed. R. Civ. P. 15(a). The Supreme Court has declared that "this mandate is to be heeded." *Foman v. Davis,* 371 U.S. 178, 182, 83 S.Ct. 227, 9 L.Ed.2d 222 (1962). The law is well settled "that leave to amend a pleading should be denied *only when* the amendment would be prejudicial to the opposing party, there has been bad faith on the part of the moving party, or the amendment would be futile." *Johnson v. Oroweat Foods Co.*, 785 F.2d 503,

509 (4th Cir.1986). Delay alone is an insufficient reason to deny leave to amend. *See id.* Rather, the delay must be accompanied by prejudice, bad faith, or futility. *See id.*

IV. ARGUMENT

A. The Requested Amendment Will Not Prejudice NTP, Has Not Been Brought in Bad Faith and is Not Futile.

1. *Tavory's request for equitable relief is not futile.*

As an unnamed inventor of the NTP Patents, Tavory has held equitable title in those patents since they were issued. *Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 216 F. Supp. 2d 1188, 1205-06 (D. Colo. 2002); *Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 153 F. Supp. 2d 1231, 1246 (D. Colo. 2001); *see also Arachnid, Inc. v. Merit Indus., Inc.*, 939 F.2d 1574, 1578 n.3 (Fed. Cir. 1991) ("Equitable title may be defined as 'the beneficial interest of one person whom equity regards as the real owner, although the legal title is vested in another.'"). As an equitable title holder, Tavory is entitled to seek equitable remedies to compensate him for harm he has suffered as a result of being omitted as an inventor and deprived of legal title. *Arachnid*, 939 F.2d at 1578 n.2 ("The entity to whom the grant of a patent is made by the PTO [or that entity's successor in title] holds the 'legal title' to the patent."). Among the equitable remedies available to him is the disgorgement of a proportionate share of the revenues NTP

has earned from those patents as to which Tavory is a co-inventor. *Cyanamid*, 216 F. Supp. 2d at 1205-06, *aff'd*, 342 F.3d 1298, 1304 (noting but not reviewing the district court's holding "as to the federal equitable remedy . . . that the [unnamed inventors'] status as equitable titleholders of the '634 patent constituted a separate and independent ground mandating that [defendant] disgorge its incremental profits."); *see Arachnid*, 939 F.2d at 1579 (an improperly omitted inventor may bring an action to obtain equitable remedies for infringements of the patent dating back to its issuance).

Moreover, as a co-owner, Tavory would have been a necessary plaintiff in any action for infringement of the patents. *Ethicon, Inc. v. U.S. Surgical Corp.*, 135 F.3d 1456, 1467 (Fed. Cir. 1998). Had he been named as a co-inventor at the time of those suits, Tavory could have obtained a judgment, along with NTP, against any infringers; blocked the infringement suit by refusing to join; or licensed the patent to the accused infringer. *See id.* at 1468. Moreover, 35 U.S.C. § 262 does not impede Tavory from, at least, obtaining disgorgement of profits gained through infringement proceedings to which all patent owners must be made a party. Accordingly, his omission as an inventor of the NTP Patents deprived Tavory of these rights and of the opportunity to derive revenues from the exploitation of the NTP Patents.

Furthermore, Tavory has been wrongfully deprived of the ability to seek royalties from NTP for its use of Tavory's inventions, to license the patents on

his own, or to assign his rights to another entity. *See Univ. of Colo. Found., Inc. v. Am. Cyanamid Co.*, 196 F.3d 1366, 1373 (Fed. Cir. 1999). Under each of these scenarios, Tavory should have profited from his invention; however, by his wrongful exclusion from the patents, he was denied this opportunity. Accordingly, Tavory's equitable ownership interest in the patents gives rise to the federal equitable claim for disgorgement he seeks to assert in the First Amended Complaint.

2. Tavory's Requested Amendment is Neither Prejudicial to NTP Nor Brought in Bad Faith.

Permitting Tavory to amend the Complaint to seek an accounting and disgorgement would not prejudice NTP in preparing for trial. The case remains in the early stages of discovery, no depositions have been taken, NTP has not responded to Tavory's discovery requests, and in any event, the proposed amendment will not change the substantive issues in the case. The amendment merely brings into the prayers for relief in each of Counts I-VII a request for equitable relief based on Tavory's claim to equitable title to the NTP Patents. Moreover, NTP will not have to revisit previously propounded discovery because it has not yet conducted any discovery on damages. Nor is this motion brought in bad faith. Tavory merely asserts an additional equitable remedy.

3. Tavory's claim for indirect copyright infringement is not futile.

A party who, with knowledge of the infringing activity, induces, causes, or materially contributes to the infringing conduct of another, will be held liable as a contributory infringer and is jointly and severally liable for the infringement. *CoStar Group, Inc. v. LoopNet, Inc.*, 373 F. 3d 544, 550 (4th Cir. 2004); *Microsoft Corp. v. Grey Computer*, 910 F. Supp. 1077, 1090-01 (D. Md. 1995). Moreover, a party will be held vicariously liable for another's infringement if that party had (1) the right and ability to supervise the activity and (2) an obvious and direct financial interest in the exploitation of the copyrighted materials. *Id.* The Amended Complaint pleads facts which, if true, show that Donald Stout is liable for contributory copyright infringement and is vicariously liable for the copyright infringement alleged in Count VIII. Tavory's Copyright Infringement claim against NTP already has survived the scrutiny of a motion to dismiss and his additional claim for indirect infringement against the individual who formed NTP and directed its activities would not be futile.

Nor would Tavory's claim for indirect copyright infringement prejudice NTP. Tavory has not added other acts of infringement to his complaint. The proposed amendment only seeks an additional remedy against an additional but closely related party for his participation in the acts of infringement already plead.

IV. CONCLUSION

The remedies Tavory seeks in his First Amended Complaint are not futile. This Motion is not filed in bad faith, and granting this Motion will not prejudice NTP. Accordingly, the First Amended Complaint satisfies the liberal standards applicable under Rule 15(a), and the Court should grant the Motion to Amend.

WHEREFORE, Tavory prays that the Court grant his Motion for Leave to File a First Amended Complaint and direct the clerk to accept the First Amended Complaint filed with this Motion as filed as of the date of the Court's Order.

DATED: February ___, 2007

By: /s/ _____
Counsel

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Counsel for Plaintiff Oren Tavory

CERTIFICATE OF SERVICE

I hereby certify that on this ___ day of February, 2007 I caused the foregoing to be served by email and U.S. Mail on James H. Wallace, Jr., John B. Wyss and Kevin P. Anderson, Wiley Rein & Fielding LLP, 1776 K Street NW, Washington, DC 20006, Christopher M. Mills, Wiley Rein & Fielding LLP, 7925 Jones Branch Drive, Suite 6200, McLean, VA 22102 and by hand on Maya M. Eckstein, Hunton & Williams, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, VA 23219-4074.

/s/ Dana D. McDaniel

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

OREN TAVORY,

Plaintiff,

vs.

CASE NO.: 3:06cv628
Hudson

NTP, Inc.,

Defendant. /

COMPLAINT FOR CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBERS 5,436,960, 5,438,611, 5,625,670, 5,631,946, 5,819,172, 6,067,451 and 6,317,592, FOR COPYRIGHT INFRINGEMENT AND FOR UNJUST ENRICHMENT

(Filed Sep. 20, 2006)

The Plaintiff, Oren Tavory ("Tavory") sues the Defendant, NTP, Inc. ("NTP") and alleges:

1. The Plaintiff, Tavory, is an individual residing in the State of Florida. Tavory is the co-inventor of technology protected by United States patents numbered 5,436,960; 5,438,611; 5,625, 670; 5,631,946; 5,819,172; 6,067,451 and 6,317,592, ("the Patents") held by the Defendant, NTP. Tavory contributed to the conception of the inventions reflected in the Patents yet, through omission, inadvertence and/or error, was not named as a co-inventor when the applications, which matured into the Patents, was

filed by NTP. Tavory, as a co-inventor, requests that the court order the Commissioner of Patents and Trademarks of the U.S. Patent and Trademark Office to correct the Patents to add Tavory as a co-inventor.

2. The Defendant, NTP, is a corporation organized and existing under the laws of the Commonwealth of Virginia and doing business in the Commonwealth of Virginia, so this court has personal jurisdiction over the Defendant, NTP. Venue is proper, *inter alia,* because NTP is domiciled in this District.

3. This action is brought pursuant to 35 U.S.C. § 256 and 17 U.S.C. §501 so this court has subject matter jurisdiction pursuant to 28 U.S.C. §§ 1331 and 1338.

FACTUAL BACKGROUND

4. Tavory designs, develops and programs computer software. Tavory graduated from the University of Miami in 1985 with a degree in Computer Information Systems. He programs in C, Cobol, Power Builder, Basic, Visual Basic, Informix 4GL, UNIX shell programming and RPG and has extensive experience programming in a UNIX environment and working with Informix DBMS.

5. In approximately 1989-1990, Tavory began working as an independent consultant for Telefind Corp. ("Telefind"). Telefind was a Florida corporation

based in Coral Cables [sic], Florida which operated a nation-wide paging network.

6. Tavory helped to maintain and make corrections to the Telefind billing and polling software systems. The polling system insured the proper operation of the numerous paging personal computers used in the Telefind paging network throughout the United States. The polling system, which was automatically scheduled to run at a pre-determined time by a program operating on an AT&T 3B2 computer, called each personal computer in the paging network to determine whether the computer would answer the call and then would make a report of the results of its calls. The report could be viewed on a terminal screen, a computer printout or in an email account on a terminal in Telefind's internal email network in its offices in Coral Gables.

7. While working as an independent consultant for Telefind, Tavory conceived the idea of sending emails from the 3B2 computer to his pager, so that he could review emails while he was away from the Telefind office. Telefind had a paging network in place but it was not utilized for emails, nor had anyone conceived the idea of using the paging network for the transmission of emails prior to Tavory conceiving the idea to do so. Tavory created the concept of sending an email from a computer to a pager wirelessly and implemented the concept by writing code that processed an incoming an [sic] email and pushed it automatically to the paging network, resulting in the email appearing on the pager. A copy of Tavory's code

which implemented his concept and pushed the email onto the paging network is attached as Exhibit A to this Complaint (hereinafter the "Push Software").

8. Tavory used his wireless email invention to send emails to his pager so that he could review email messages from others at Telefind while he was out of the office and could review email messages from the polling system while he was out of the office.

9. After Tavory created his wireless email invention and before anyone applied for the patents, many employees of Telefind saw Tavory's wireless email invention in operation, including, but not limited to, Ted Andros (Vice President), Paul Weitzner (Accounting Manager), Beverly Clair (Executive Assistant to Ted Andros) and Russell Dennart (Network Operations Manager). Another computer consultant, David Levine, also saw Tavory's wireless email invention in operation.

10. Subsequently, Telefind approached AT&T to enhance the sale of the AT&T Safari laptop computer by enabling it to receive wireless emails through a cable connected to a Telefind pager, creating a mobile office. AT&T saw Tavory's wireless email invention in operation and wanted to refine it to work with the AT&T mail system and to work with the Safari laptop computer.

11. On a confidential basis, Tavory worked with ESA, which provided hardware components to Telefind under contract, on the AT&T project. Tom Compana [sic] was the president of ESA and a Vice

President of Telefind. Mike Ponschke and Gary Thelen were computer programmers for ESA who worked on the AT&T project.

12. On a confidential basis, Tavory continued to enhance the Push Software to facilitate its use with the AT&T network. Thelen and Ponschke wrote software that transferred the email message received on the pager to the laptop so that it could be viewed on the laptop. Compana [sic] engineered circuitry used in the pagers and the hardware used in the personal computers used in the Telefind paging network. Problems with the hardware provided by ESA to Telefind which were used in the Telefind paging network created instability in the wireless email technology. AT&T stopped pursuing the wireless email project and Telefind, claiming a lack of funding, stopped paying its workers, including Tavory. Tavory could not afford to go without pay so, in early 1991, ceased further work on the Telefind project.

13. Tavory never sought to exploit his Push Software publicly in any way, and at all times relevant to this Complaint kept the Push Software confidential. He never disclosed the Push Software to the public at large.

14. At some time after Tavory terminated his dealings with Telefind, unbeknownst to Tavory and in violation of the confidential basis upon which Tavory provided him with access to the Push Software, Tom Compana [sic] applied for the Patents. The Patents

identify Compana [sic], Ponschke and Thelen as inventors but fail to identify Tavory as an inventor. Upon information and belief the Patents were assigned to NTP. The Patents include an Appendix which includes a portion of the Tavory Push Software source code, as modified for the AT&T project. Tavory contributed to the conception of the inventions reflected in the Patents.

15. All conditions precedent to this action have been performed, waived or have occurred.

COUNT I
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 5,436,960

16. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

17. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,436,960 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

18. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner

of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,436,960 by adding Oren Tavory as a co-inventor.

COUNT II
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 5,438,611

19. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

20. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,438,611 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

21. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,438,611 by adding Oren Tavory as a co-inventor.

COUNT III
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 5,625, 670

22. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

23. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,625,670 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

24. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,625,670 by adding Oren Tavory as a co-inventor.

COUNT IV
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 5,631,946

25. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

26. Tavory made an independent conceptual contribution to the inventions described in Patent No.

5,631,946 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

27. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,631,946 by adding Oren Tavory as a co-inventor.

COUNT V
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 5,819,172

28. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

29. Tavory made an independent conceptual contribution to the inventions described in Patent No. 5,819,172 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

30. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result,

he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 5,819,172 by adding Oren Tavory as a co-inventor.

COUNT VI
CORRECTION OF NAMED INVENTOR
ON U.S. PATENT NUMBER 6,067,451

31. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

32. Tavory made an independent conceptual contribution to the inventions described in Patent No. 6,067,451 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

33. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States

Patent and Trademark Office to correct Patent No. 6,067,451 by adding Oren Tavory as a co-inventor.

COUNT VII
CORRECTION OF NAMED INVENTOR ON U.S. PATENT NUMBER 6,317,592

34. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

35. Tavory made an independent conceptual contribution to the inventions described in Patent No. 6,317,592 and those contributions were communicated to and shared with Compana [sic] prior to the application for that patent.

36. Through omission, inadvertence and/or error, Tavory was not identified as a co-inventor of those inventions on that application, and, as a result, he does not appear as a co-inventor on the corresponding Letters of Patent issued by the United States Patent and Trademark Office.

WHEREFORE, Tavory respectfully requests that the court issue an order directing the Commissioner of Patents and Trademarks of the United States Patent and Trademark Office to correct Patent No. 6,317,592 by adding Oren Tavory as a co-inventor.

COUNT VII [sic]
COPYRIGHT INFRINGMENT [sic]

37. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

38. Tavory's Push Software is a proper subject matter for copyright under the laws of the United States. Tavory has registered his copyright in the Push Software with the United States Copyright Office. Tavory is the sole author of the Push Software and owns the copyright in the Push Software.

39. Tavory complied in all respects with the Copyright Act, 17 U.S.C. §101, *et. seq.* and secured copyright registration in the Push Software. The Push Software is an original work of authorship, copyrightable under the Copyright Act, and has been registered in compliance with the Copyright Act. The Push Software was assigned copyright registration number TXU1306157

40. Tavory has not granted permission to NTP to use, copy, distribute, display, license, sublicense or to otherwise share in or exercise any of Tavory's exclusive rights in the Push Software granted under the Copyright Act.

41. NTP has infringed Tavory's copyright in the Push Software in violation of the Copyright Act, 17 U.S.C. §101 *et. seq*, by licensing rights in the Push Software and/or in the Patents, inviting others to copy the Push Software, reproducing the Push Software, upon information and belief, making electronic copies of the Push Software and asserting ownership of the Push Software and purporting to authorize others to exercise the exclusive rights in the Push Software reserved by the Copyright Act to the copyright owner or its licensees.

WHEREFORE, Tavory requests that this court enter a temporary and permanent injunction (1) prohibiting NTP and all persons acting in concert with it from possessing, copying, disclosing, licensing, displaying, publishing, distributing, or using the Push Software and (2) compelling NTP to return to Tavory all copies of the Push Software in its possession, custody or control. Tavory further requests that this court (1) award Tavory damages and (2) award Tavory such other and further relief as the court deems just and proper.

COUNT VIII [sic]
UNJUST ENRICHMENT

42. Tavory realleges paragraphs 1-15 above as if fully set forth herein.

43. Plaintiff, Tavory, created the Push Software and the concept of sending emails to pagers on his own initiative.

44. Defendant, NTP, has received substantial and valuable benefits from Tavory in the form of royalties, payments or other compensation for the use of Tavory's wireless email invention and of the Push Software.

45. Defendant, NTP, has failed or refused to pay Tavory fair compensation for its use of Tavory's invention and of the Push Software.

46. Tavory has no adequate or complete remedy at law to obtain relief for the failure of Defendant,

NTP, to compensate Tavory for the fair value of NTP's use of the Tavory invention and of Tavory's Push Software from which Defendant, NTP, has benefited and continues to benefit.

47. Under the circumstances of this case, it would be inequitable and unjust for Defendant, NTP, to retain the benefit of the use of the Tavory invention and the Tavory Push Software without payment to Tavory for the fair value of such use.

WHEREFORE, Plaintiff, Oren Tavory demands judgment against Defendant, NTP in an amount equal to the fair value of the use of the Tavory invention and of Tavory's Push Software, any other damages the court deems just, and prejudgment interest and taxable costs.

JURY TRIAL DEMAND

Tavory demands a trial by jury on all issues so triable.

DATED: September 20, 2006

By: /s/ Blair Jacobs
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35 U.S.C. § 116. Inventors

When an invention is made by two or more persons jointly, they shall apply for patent jointly and each make the required oath, except as otherwise provided in this title. Inventors may apply for a patent jointly even though

(1) they did not physically work together or at the same time,

(2) each did not make the same type or amount of contribution, or

(3) each did not make a contribution to the subject matter of every claim of the patent.

If a joint inventor refuses to join in an application for patent or cannot be found or reached after diligent effort, the application may be made by the other inventor on behalf of himself and the omitted inventor. The Director, on proof of the pertinent facts and after such notice to the omitted inventor as he prescribes, may grant a patent to the inventor making the application, subject to the same rights which the omitted inventor would have had if he had been joined. The omitted inventor may subsequently join in the application.

Whenever through error a person is named in an application for patent as the inventor, or through error an inventor is not named in an application, and such error arose without any deceptive intention on his part, the Director may permit the application to be amended accordingly, under such terms as he prescribes.

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35 U.S.C. § 256. Correction of named inventor

Whenever through error a person is named in an issued patent as the inventor, or through error an inventor is not named in an issued patent and such error arose without any deceptive intention on his part, the Director may, on application of all the parties and assignees, with proof of the facts and such other requirements as may be imposed, issue a certificate correcting such error.

The error of omitting inventors or naming persons who are not inventors shall not invalidate the patent in which such error occurred if it can be corrected as provided in this section. The court before which such matter is called in question may order correction of the patent on notice and hearing of all parties concerned and the Director shall issue a certificate accordingly.

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35 U.S.C. § 262. Joint owners

In the absence of any agreement to the contrary, each of the joint owners of a patent may make, use, offer to sell, or sell the patented invention within the United States, or import the patented invention into the United States, without the consent of and without accounting to the other owners.

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35 U.S.C. § 281. Remedy for infringement of patent

A patentee shall have remedy by civil action for infringement of his patent.

DECLARATION OF DAVID LEVINE

1. My name is David Levine. I am over 18 years of age. I have personal knowledge of the information set forth in this Declaration and am otherwise qualified to make this Declaration.

2. I was employed at one time by a company known as Tresun Corporation ("Tresun"). Tresun was a provider of software and related services. My primary responsibility at Tresun was computer programming. One of my co-employees at Tresun during part of the time when I was employed there was Oren Tavory ("Tavory").

3. One evening while in the offices of Tresun I overheard an argument between Tavory and one of the owners of Tresun during which the owner yelled to Tavory that he was fired. The next day that owner told me that he had fired Tavory. Tavory and I spoke by phone and he told me that he and the owner had a disagreement and that Tavory was no longer employed at Tresun. I knew from prior conversations from Tavory that Tavory did not like the way he was being treated at Tresun. This took place in the late 1980's or early 1990's.

4. I kept in touch with Tavory for a period of time after he left Tresun. Through that contact and meetings that I later had with Tavory I know that he went to work for a company named Telefind Corporation on a contract basis. Telefind was a former customer of Tresun, however they were not a Tresun customer when Tavory left Tresun. I supported the Tresun phone billing system and saw the records of the chargeable phone calls

from Tresun customers as part of my support work. There were no calls charged to Telefind after Tavory's employment with Tresun ended and we no longer received any support calls from Telefind.

5. Within a short period of time after Tavory's departure from Tresun I met with him at Telefind. Tavory showed me a wireless email system that he said he had created. Tavory explained to me that Telefind had a paging system which was used to send stock quotes and sports scores to subscribers and that he had invented a way to send email messages wirelessly from Telefind's computers to pagers. He showed me a prototype and part of the source code he had written to make it work. The code provided a filtering function. Tavory told me that his email system needed some additional work. He told me that he planned to show this to Telefind's management after he improved its performance and that he hoped they would be impressed enough with his work to offer him a job as an employee.

6. A short time after this first meeting with Tavory at Telefind I met and spoke with Tavory. He had done additional work on the email system and showed its operation to me. He sent an email from a computer to himself on his Telefind pager. I heard the beeper go off on Tavory's pager and saw the email message appear on the pager which he had sent to himself from the Telefind computer. Not long after this meeting I spoke with Tavory on the telephone. He told me that he demonstrated his email system to Telefind's upper management and that they offered him a job

as an employee and that he had accepted their offer and now was an employee of Telefind.

7. To the best of my knowledge no one assisted Tavory with his invention of the wireless email system that he showed to me.

8. This ends my Declaration.

I swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ David Levine	5/4/06
David Levine	Date

DECLARATION OF MIKE PONSCHKE

1. My name is Mike Ponschke. I am over 18 years of age. I have personal knowledge of the information set forth in this Declaration and am otherwise qualified to make this Declaration.

2. I was employed at one time by a company known as ESA. I worked as a software engineer for ESA. ESA provided engineering services at one time under contract for a company called Telefind Corporation.

3. Oren Tavory worked for Telefind.

4. Oren Tavory worked in a technical position with computer software for Telefind. Oren worked from Telefind's office in Miami, Florida. I believe that Oren worked on creating an automated way of sending polling reports to a pager via email using the Telefind radio network. Oren wrote the software for Telefind that pushes email from the

UNIX AT&T 3B2 computer to a switch on the Telefind pager network.

5. I am listed on patents as a co-inventor of wireless email technology. I understand that NTP Inc. claims to be the owner of these patents. Oren Tavory also is an inventor of that technology. He created the part of the technology that pushes an email from a computer to the Telefind pager network as described above. I worked with Oren Tavory during part of the time when this email technology was being developed. I saw the code that he created and met with him about the wireless email technology.

6. This ends my Declaration.

I swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Michael Ponschke — 7-10-2006
Mike Ponschke — Date

DECLARATION OF RUSSELL DENNERT

1. My name is Russell Dennert. I am over 18 years of age. I have personal knowledge of the information set forth in this Declaration and am otherwise qualified to make this Declaration.

2. I was employed at one time by a company known as Telefind Corporation ("Telefind"). I started my employment in approximately February, 1989 and ended my employment there in the summer of 1991. I began as a Computer Operator in the

MIS dept of Telefind. Then I moved into the operations department of Telefind as network maintenance coordinator, responsible for all network operations. I have a college degree in MIS with a minor in computer science.

3. Oren Tavory came to work for Telefind as a contractor working on polling software. While working for Telefind Oren Tavory created a wireless email system. Oren Tavory is the only person who worked at Telefind who worked on a wireless email system that I know of. I met with Oren Tavory on a regular basis as he was creating the wireless email system to give him information regarding data formats that he needed in order to communicate with Telefind's gateway computer, which was a 3b2 model 600 running Unix system 5, which I administered. No one had previously asked me for the type of information that Oren asked for when Oren was working on the wireless email system.

4. I was very impressed when Oren Tavory demonstrated the wireless email system to me. This became the most useful way of sending text messages through the Telefind paging system. I recall Oren Tavory explaining to me how the wireless email system worked telling me that he created the system so that he could get updated while out of the office regarding whether there were any problems with the switch computers in the Telefind system.

5. As part of my job duties I made two visits to ESA, a company which sold PC's with electronics cards

installed that operated as switches in the Telefind switching network. The equipment that ESA supplied to us had repeated component failure. I never heard anyone at ESA or Telefind say or suggest that Tom Compana or any other person at ESA created the wireless email system used at Telefind. To the best of my knowledge Oren Tavory is the inventor of the technology that sends emails in the telefind system to the pagers.

6. This ends my Declaration.

I swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Russell Dennert — May 30, 2006
Russell Dennert — Date

DECLARATION OF TED ANDROS

1. My name is Ted Andros. I am over 18 years of age. I have personal knowledge of the information set forth in this Declaration and am otherwise qualified to make this Declaration.

2. I was employed at one time by a company known as Telefind Corporation ("Telefind"). I was one of the founders of Telefind. I held positions at Telefind as Vice President of Marketing and as Executive Vice-President.

3. Oren Tavory was a contractor to Telefind for a period of time and then became a Telefind employee.

4. Oren Tavory worked in a technical position with computer software. At some point in time while

he was working at Telefind Oren Tavory invented a way to send emails from computers to pagers. Oren Tavory demonstrated this to me before Telefind had a relationship with AT&T.

5. This ends my Declaration. I swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Ted Andros — 6/19/06

Ted Andros — Date

DECLARATION OF BEVERLY CLAIR

1. My name is Beverly Clair. I am over 18 years of age. I have personal knowledge of the information set forth in this Declaration and am otherwise qualified to make this Declaration.

2. I was employed at one time by a company known as Telefind Corporation ("Telefind"). My position was executive assistant to the executive vice-president of Telefind, who was Ted Andros. I later became the Network Coordinator.

3. Oren Tavory was a contractor to Telefind for a period of time and then became a Telefind employee.

4. Oren Tavory worked in a technical position with computer software. At some point in time while he was working at Telefind Oren Tavory invented a way to send emails from computers to pagers. I saw Oren Tavory demonstrate this and was very impressed with his invention. I never heard of

any person other than Oren Tavory being credited with inventing the means to send emails to the Telefind pagers.

5. I saw a demonstration of Oren Tavory's email invention before Telefind had a relationship with AT&T.

6. This ends my Declaration.

I swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ B. Clair — June 14, 2006

Beverly Clair — Date

[xxx xxx xxx
xxx xxx, xxx xxx]

DECLARATION OF PAUL WEITZNER

1. My name is Paul Weitzner. I am over 18 years of age. I have personal knowledge of the information set forth in this Declaration and am otherwise qualified to make this Declaration.

2. I was employed at one time by a company known as Telefind Corporation ("Telefind"). I was the Accounting Manager for Telefind. I started working for Telefind in 1988 and discontinued my employment there just before Telefind went bankrupt which was in approximately 1991.

3. While employed at Telefind I met a computer consultant named Oren Tavory ("Tavory"). Tavory initially worked for Telefind as an independent consultant and after a number of months became an employee of Telefind.

4. While working as an independent consultant to Telefind Tavory invented a way to send emails to pagers in the Telefind paging system. I saw Tavory's wireless email system in use at Monte Trainers on Biscayne Boulevard where people working at Telefind often would go for drinks at the end of the work day. Tavory had his emails forwarded to himself on his Telefind pager so that while we were sitting at Monte Trainers Tavory's pager would beep and then an email message would appear on his pager. Tavory got the credit at Telefind for coming up with the idea of this wireless email technology that pushed emails to the Telefind pagers and for creating the technology that enabled his wireless email concept to work.

5. After Tavory created the wireless email technology Tavory became an employee of Telefind.

6. After Tavory became an employee of Telefind, Telefind tried to shop the wireless email system created and developed by Tavory to computer companies, including AT&T. AT&T was interested in the wireless email technology and sent someone to Telefind to discuss the technology.

7. To the best of my knowledge no one assisted Tavory with his invention of the wireless email system that he showed to me.

8. This ends my Declaration.

I swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Paul Weitzner	5-11-06
Paul Weitzner	Date

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY,

Plaintiff,

vs.

CASE NO.:
3:06CV628-JRS

NTP, Inc.,

Defendant. /

DECLARATION OF DOUG OLSON

1. My name is Doug Olson. I have personal knowledge of the matters set forth in this declaration and am otherwise qualified to make this declaration.

2. I worked for Telefind Corporation as a computer programmer. I started at Telefind in 1989 and left Telefind in December of 1990. I sat next to Oren Tavory in the room at Telefind referred to as the Fishbowl.

3. Not long after Oren Tavory first appeared at Telefind he created software that allowed him to send his emails to his Telefind pager. I know that he created some of that code at Telefind because I recall him telling me about what he was doing as he wrote the code. Telefind did not have the ability to send emails to a pager before Oren wrote this code but did have that ability after Oren wrote this code. After writing this code, Oren Tavory showed me his ability to send email to a pager. It was general knowledge

at Telefind that Oren invented the means to send email to a pager and he was credited with having done so.

4. I interacted with Tom Campana in my work at Telefind. I met with him at ESA in Chicago and in Telefind's offices in Florida. In all the meetings and discussions that I had with Tom Campana he never told me that he thought of the idea of sending emails to a pager or invented the way to do so. I never heard anyone else claim that Tom Campana thought of the idea of sending emails to a pager or invented the way to do so. From my observations and working with Tom Campana for two years, Campana was not "computer savvy". From my discussions with him regarding technical issues he displayed very little knowledge regarding computers. To the best of my knowledge Tom Campana did not use email. When I communicated with Campana in Chicago from Telefind's offices I had to use the telephone because he did not have email.

5. This is my declaration.

I hereby swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Doug Olson — 4/19/2007

Doug Olson — Date

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY,

Plaintiff,

vs.

CASE NO.:
3:06CV628-JRS

NTP, Inc.,

Defendant. /

DECLARATION OF DAN POPE

1. My name is Dan Pope. I have personal knowledge of the matters set forth in this declaration and am otherwise qualified to make this declaration.

2. I worked for Telefind Corporation as Field Operations Manager for most of the time when Telefind was in existence. I left when Telefind went out of business in 1991. I managed personnel who went into the field to install Telefind equipment at paging companies all over the United States.

3. I worked frequently and extensively with Tom Campana in my work at Telefind and made frequent visits to ESA in Chicago, Illinois and met with Campana.

4. During one of my trips to ESA I met with Oren Tavory. I had a discussion with Oren Tavory during which we talked about software. Tavory told me during this discussion about software he had written which enabled him to send

emails to his pager. He could not show me how it worked during our discussion because ESA did not have email capability.

5. Later in 1990 Oren Tavory showed me his ability to send email to a pager. When he did so I was in the switch room at Telefind in Coral Gables, Florida and saw an email message on the lata monitor going to a pager. This message had originated from Oren Tavory in the form of an email and was routed through the 3B2 computer through the Telefind Hub and LATA switches to the pager. I had never seen this before. Oren Tavory and Russell Dennert both explained to me at that time that Oren had thought of the idea of sending emails to a pager and created the way to do it.

6. In all the meetings and discussions that I had with Tom Campana he never told me that he thought of the idea of sending emails to a pager or invented the way to do so. I never heard anyone else claim that Tom Campana thought of the idea of sending emails to a pager or invented the way to do so. To the best of my knowledge Tom Campana did not even use email.

7. This ends my declaration.

I hereby swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Dan Pope — 19 Apr 07

Dan Pope — Date

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY,

Plaintiff,

vs.

NTP, Inc.,

Defendant. /

CASE NO.:
3:06CV628-JRS

DECLARATION OF ANN MURRAY

1. My name is Ann Murray. I have personal knowledge of the matters set forth in this declaration and am otherwise qualified to make this declaration.

2. I was Andy Andros' companion for 25 years and helped him to found Telefind Corporation. I worked as executive assistant to Andy Andros at Telefind Corporation throughout its existence. In my position, I arranged meetings and travel for Andy Andros and others, maintained the Telefind business plan, prepared correspondence and at various firms supervised Telefind's accounting. I interfaced with managers and employees of Telefind as well as Telefind vendors and contractors. As assistant secretary, I attended meetings of the Board of Directors of Telefind and prepared minutes of those meetings.

3. While in that position I met Oren Tavory. Oren initially was a contractor to Telefind and later became an employee.

4. I knew Tom Campana very well. He was involved with Telefind from the beginning when we founded the company. He worked with Andy and me to prepare the business plan for Telefind, and to design the pager and switching network. Andy and I used to visit Tom in Chicago, Illinois and Tom frequently came to Telefind in Coral Gables, Florida. I saw and spoke with Tom most, if not every, time that Tom came to Telefind.

5. I attended a Comdex show in November 1990 with Andy Andros. Tom Campana also attended the show. While at Comdex, Andy and Tom demonstrated sending an email to a Telefind pager using the Telefind paging network. Tom attended the meeting on behalf of Telefind. The email was sent to a Safari laptop computer with the Telefind logo on the left side of the laptop. I was with Andy and Tom throughout the Comdex show and at least one entire demonstration. Tom Campana did not claim during the Comdex show to have conceived the idea of sending emails to a pager or to have invented the means to do so. In all of my meetings and discussions with Tom Campana about the email to paging technology or about anything, he never claimed to have conceived the idea of sending emails to a pager or to have invented the means to do so. I have never heard anyone claim that Tom Campana

conceived the idea of sending emails to a pager or to have invented the means to do so.

6. Richard Thompson was a friend of Andy Andros who was trying to help obtain funding for Telefind. He arranged for a meeting with AT&T to discuss the Telefind paging network and to discuss AT&T investing in or purchasing Telefind. This initial contact eventually developed into AT&T working with Telefind to send email messages to a Safari laptop computer using the Telefind paging network. Telefind started working on that project at least a couple of months before the Comdex show in 1990.

7. In 1990 Telefind obtained an email system so that we could send emails from our desk top computers. After we obtained the email system and before we started working on the AT&T Safari laptop project, Telefind obtained the ability to send emails to a pager using the Telefind network. The only person at Telefind who I recall working on the technology to send an email to a Telefind pager is Oren Tavory.

8. In 1991 Telefind could no longer obtain the funding to stay in business. Telefind ceased doing business and Andy Andros and I moved back to Houston, Texas in late 1991. After Telefind went out of business Andy Andros and I took important company documents with us, including all patent related documents, documents related to the technology, and correspondence, memos and contracts related to Tom Campana, Tom's company ESA, and others. We kept them for a long period of time in

the garage but later destroyed all of those documents because Andy was told by Donald Stout, Telefind's patent attorney, that they were no longer needed and should be discarded.

9. This ends my declaration.

I hereby swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Ann Murray — April 18, 2007

Ann Murray — Date

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY,

Plaintiff,

vs.

NTP, Inc.,

Defendant. /

CASE NO.:
3:06CV628-JRS

DECLARATION OF PAUL W. MCGAHEN II

1. My name is Paul W. McGahen II. I have personal knowledge of the matters set forth in this declaration and am otherwise qualified to make this declaration.

2. I worked as Director of Operations for Telefind Corporation from October, 1990 through June, 1991. In my position I worked extensively with Tom Campana.

3. When I started at Telefind Corporation Telefind had the ability to send emails to pagers. I saw Russell Dennert receive emails on a pager while at lunch with him. Oren Tavory and Russell Dennert were the only two people at Telefind who worked on the email to paging technology.

4. Tom Campana never claimed to have conceived the idea of sending email to a pager or to have invented the means to do so. I never heard anyone claim that Tom Campana conceived the

idea of sending email to a pager or to have invented the means to do so.

5. This ends my declaration.

I hereby swear and affirm under penalties of perjury that the foregoing is true and correct.

/s/ Paul W. McGahen II — 4/18/07
Paul W. McGahen — Date

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

OREN TAVORY, Plaintiff, v. NTP, Inc., Defendant.	)))))))	Civil Action No. 3:06CV0628

RULE 26 EXPERT REPORT
OF MARTIN KALISKI, PH.D.

1. Pursuant to Rule 26(a)(2)(B) of the Federal Rules of Civil Procedure, I hereby submit this expert report as a statement of the testimony and opinions that I may offer at trial, and the basis for these opinions.

2. I have been retained by the law firm of Hill, Kertscher & Wharton, LLP, on behalf of Oren Tavory, as an expert in the above-identified civil action. In connection therewith, I have been asked to review seven United States patents[1] (collectively, the "Patents-in-Suit"), review certain technologies described there,

[1] These patents are United States Patents Nos. 5,436,960 ("the 960 patent"), 5,438,611 ("the 611 patent"), 5,625,670 ("the 670 patent"), and 5,631,946 ("the 946 patent"), 5,819,172 ("the 172 patent"), 6,067,451 ("the 451 patent"), and 6,317,592 (the 592 patent).

including source code, and express my conclusion as to whether and to what extent Mr. Tavory is a co-inventor of any of the Patents-in-Suit.

I. Personal Background

3. I hold a doctoral degree (PhD) in Electrical Engineering, granted by the Massachusetts Institute of Technology in 1971, as well as a Master's degree in Electrical Engineering from MIT and two Bachelor's degrees (Electrical Engineering and Mathematics), also from MIT. I served for nine years as the Chair of the Electrical Engineering Department at California Polytechnic State University, San Luis Obispo, and have been a Full Professor in the Electrical Engineering Department there since 1986.

4. I have been active in research and consulting in the fields of software engineering, computer engineering, electrical engineering, systems design and design recovery, as well as in related algorithm development, for over 30 years. My main areas of interest are systems theory, computer systems, software systems, industrial systems and control systems. Typical project areas have included software and hardware design recovery, software quality assurance, remote tracking technologies, algorithm development for CAD/CAM systems, expert systems in industrial automation applications, trouble-shooting fault-detection microcode, software engineering for advanced signal processing applications, development and implementation of

algorithms for finite-state controller design, development of expert systems for verification and analysis of BIOS software, development of training manuals, classical expert system design, software design recovery research in transportation engineering and expert system approaches to telephone system reliability. I am the co-author of three textbooks and the author of numerous technical publications. I have had teaching and consulting experience with computers both large and small, ranging from mainframes to microcontrollers.

5. I have been engaged as an expert witness and consultant in numerous technology-based matters for the past ten years, with a focus on patent infringement, trade secret misappropriation and copyright infringement. Cases have covered such diverse areas as machine vision, electronics packaging, data encryption, mainframe and microprocessor based software, health care management systems, web-based technologies, computer networking, wide-area networking, television systems and video gaming. As a part of this work, I have reviewed and analyzed hundreds of issued United Stated [sic] patents.

6. My detailed CV is attached hereto as Exhibit A. I am compensated for his [sic] work in this case at a rate of $300 per hour, regardless of the outcome of the litigation.

* * *

literally hundreds of cases, the inventors chose to define their invention by explicit reference to "interface" and/or "interface switch."

X. Importance of "Interface/Interface Switch" to the Operation of the Invention.

106. Next, Figure 9 shows the interface switch bringing together the email system/gateway on the one hand, the RF transmission network on the other hand. These components are key components repeated throughout the claims of the Patents-in-Suit and repeated throughout the written description of the Patents-in-Suit. From a technical standpoint, the interface switch, properly construed, is the tie that binds a pre-existent email system to a pre-existent pager network to make the invention described in the Patents-in-Suit operable and useful. Without the interface switch, properly construed, the invention described in the patent would not work for its intended purpose because email originating from an email system through a gateway would not ever be placed into an RF transmission information network.

XI. The "Interface/Interface Switch" Represented a New Approach.

107. Moreover, this interface switch is integral to the ability of the Patents-in-Suit to overcome the deficiencies of the prior art.

108. During the 1990s, I personally witnessed the growth of email in the marketplace as a prevalent medium for communications.

109. "As societal dependence on email and computers increased throughout the 1990s, so did the demand for mobile internet access. *See generally* Richard Duffy & Denis Gross, *World Without Wires, 22 Communications Int'l* 72 (June 1995) (describing "user demand" as "one of the most important driving factors behind the mobile data market")." *RIM v. NTP*, 418 F.3d at 1288.

110. Available methods of remote internet access were cumbersome and inefficient for the traveling businessperson, however, as the patents-in-suit explain:

> As personal computers are used more frequently by business travellers, the problem of electronic mail delivery becomes considerably more difficult. A business traveler carrying a portable PC has *great difficulty in finding a telephone jack to connect the PC to fetch electronic mail* from either a host computer or a gateway switch. Connections for a PC's modem are difficult to find in airports. . . . Hotels and motels often have internal PABX's that *prevent calls from automatically being placed by the user's PC to electronic mail gateway switches to receive information*. . . . The inability to find an appropriate connection to connect the PC modem when travelling has contributed to the degradation of electronic mail reception when the recipient is travelling.

'960 patent, col. 3,1.60-col. 4, 1. 12.

111. The foregoing problem is inherent in a "pull" approach to email technology, wherein the

consumer must actively access an email account remotely to retrieve messages.

112. The Federal Circuit underscored the importance of access to email and problems with said access due to the "pull" approach to email, in the *NTP v. RIM* case, 418 F.3d at 1288, noting:

> RIM's technical documentation for its BlackBerry products echoes the undesirability of these constraints:
>
> Typically, mobile professionals use a laptop when traveling and *dial-in to the corporate email server from a hotel room to manage an inbox full of email.* The more adventurous use special software to send email notification to a pager or cell phone so they know what is in their inbox before spending the time and effort to dial-in. Focus groups and market research on mobile email revealed *common complaints with dialing-in*-the inconvenience of lugging a laptop around just for email; the *trouble of finding a connection* and dialing-out of the hotel; the *difficulty of negotiating corporate dial-in security*; and the *cost of phone charges when dialing-in to the corporate server.*
>
> Research in Motion Ltd., *Technical White Paper BlackBerry Enterprise Edition* 3 (2001) ("White Paper").

113. The Tavory Email Push Code operating the 3B2 computer as an interface/interface switch overcomes these problems of the prior art by actively pushing emails onto a wireless system for mobile delivery to the user. It is a key

ingredient in the "push" nature of the invention of the Patents-in-Suit. In fact, in my opinion, the "interface/interface switch" is the most important part of the Patents-in-Suit because, whereas email systems were known in the prior art, and whereas RF transmission networks were known in the prior art, the "interface/interface switch" is what fuses the two prior art systems together and facilitates the pushing of email from one to the other that overcomes the problems and deficiencies of the prior art.

114. I refer back to the statement in *Pannu v. Iolab Corporation*, 155 F.3d 1344, 1351 (Fed. Cir. 1998), that "All that is required of a joint inventor is that he or she (1) contribute in some significant manner to the conception or reduction to practice of the invention, (2) make a contribution to the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention, and (3) do more than merely explain to the real inventors well-known concepts and/or the current state of the art." the notion of pushing emails to a wireless RF network contributed significantly to the invention described in each of the claims of the Patents-in-Suit that explicitly or implicitly reference "interface" or "interface switch."

115. I have prepared Figure 3 to illustrate my opinions on this issue based on the foregoing information:

Figure 3 – Co-Inventorship Issues

Did an interface Pushing Emails to a Wireless RF Network. . .	**Explanation**
. . . contribute in some significant manner to the conception or reduction to practice of the invention?	Yes. It is claimed in hundreds of claims in the Patents-in-Suit. It is important to the operability of the invention described in the Patents-in-Suit. It is important to overcome deficiencies in the prior art "pull" email systems.
. . . make a contribution to the claimed invention that is not insignificant in quality, when that contribution is measured against the dimension of the full invention?	Yes. See above. It is the most important contribution to the invention fusing the email system/gateway to the RF transmission network to provide the synergy that facilitates the invention's overcoming the problems of the prior art described above.
. . . do more than merely explain to the real inventors well-known concepts and/or the current state of the art?	Yes. "Pull" email systems were the well-known concepts and the current state of the art. The "interface/-interface switch" is important to overcome deficiencies inherent in the prior art "pull" email systems, and the associated problems therewith.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

CASE NO. 3:06CV628-JRS

OREN TAVORY,

Plaintiff,

-vs-

NTP, INC.

Defendant. /

VIDEO DEPOSITION OF RUSSELL DENNERT

Thursday, March 8, 2007
9:06 a.m. – 11:53 a.m.

1111 Brickell Avenue
Suite 2500
Miami, Florida 33131

Reported By:
DEBORAH A. HARRIS, Court Reporter
Notary Public, State of Florida
Esquire Deposition Services
Miami Office
Phone – 305.651.0706

Job No: 059403

* * *

[9] Q. Okay.

A. I had finished already, but the graduation process, you know, they only have one or two a year I

think. I had to wait until the next graduation session, but I had finished already.

Q. So does this mean that Telefind was your first computer related job?

A. Yes.

Q. Okay. And starting from your first employment in Telefind in 1989 could you describe to me your job roles as you went through your employment at Telefind?

A. Sure. I was hired by Telefind to be a computer operator. What that entitled was maintaining Telefind's internal network of computers and doing other projects as assigned, and there were lots of projects.

I lasted in that position, I think it was less than six months because I started doing other people's work which had to do with their nationwide paging network. I took an affinity to what they call a wide area network and I started doing all the maintenance on that so they gave me a raise and they gave me a new title which was network maintenance coordinator or something of that nature. And that consisted basically of maintaining the wide area network, the paging network, [10] doing all the troubleshooting, maintaining all the individual switches, LATAs, and hubs. That is what I did most of the time.

I also did the maintenance of the phone system. I also did all the other jobs I did prior to taking on this responsibility.

Q. And I think you indicated that you were in the computer operator job for about six months, so it would have been somewhere in the fall of 1989 that you transitioned to –

A. To networking.

Q. Okay. Is that the position that you stayed in until you left Telefind?

A. Until I left.

Q. Do you remember when you left Telefind?

A. Not very clear, because I was thinking about that last night. I think it was the summer, June, July of '91. I think it was around there.

Q. Now, you mentioned as a computer operator there were other projects that you did beyond maintaining Telefind's network?

A. Oh, absolutely.

Q. Do you remember generally what they were?

A. I remember several of them. One of them was, we were trying out a new operating system. It's a

* * *

[19] A. He contacted me.

Q. Do you know how he contacted you, was it by phone[?]

A. By telephone.

Q. Telephone, okay. And what was the substance of your discussion?

A. He – first 15, 20 minutes was just talking about the good old days. After that he told me why he was calling me and how he tracked me down, and he just wanted to let me know that – what was happening, that some code he had written, which I had knowledge of, was in dispute, that some companies were using it, and he just wanted to know if I remembered anything about it.

Q. Okay. A few follow-up questions. You say he told you why he called?

A. Yeah.

Q. Why did he call?

A. Why did he call?

MR. CONWELL: Excuse me, I object to the form of the question. You can still answer. Just stating an objection for the record.

BY MR. ANDERSON:

Q. What did you mean when you said why he called, what did you mean?

A. He wanted to know if I had any [20] documentation to prove that he had written some code. I said, no, I don't have documentation to prove it, but I remember you working on it because we worked together on it initially and there was a purpose behind this program he wanted to write. It was so

that the internal e-mail system, which is how we communicated inside of the company, so that he could transfer that to a pager, which we were all issued a pager by the company so that they could track us down. And this way whenever somebody e-mailed him it would automatically show up on the pager.

I helped him initially because Oren needed to understand how the network worked so that he could transmit the messages to the pager. That's the only thing I had to do with it. Oren himself did all the coding.

Q. Okay. Now, when he called you he explained to you how he tracked you down, how did he track you down?

A. I don't remember exactly how he tracked me down. Maybe he called 411, I don't know.

Q. That's fine.

A. I'm in the book.

Q. You stated that some company, he had told you that some companies are using his software?

A. Correct.

* * *

[27] Q. Mr. Weitzner?

A. No. I don't even know who he is.

Q. Okay. I'd like to step back to Telefind, back to that time period now, and you indicated as a network

maintenance coordinator you were maintaining the switches?

A. (Witness moves head up and down.)

Q. Can you explain to me what you mean by switches?

A. Sure. A switch is nothing more than a fancy word for a personal computer which has an interface to a network and is hooked up to a transmitter, let's say. That's all it is. Its job is to receive messages and transmit them and queue them in to the transmitter.

They are governed by something known as a LATA, L-A-T-A, which is another personal computer, and it regulates a series of switches. Then that's basically it. They're spread out geographically by metropolitan areas based on density and where marketing wanted to put them and where they could have arrangements with people with transmitters, and my job was basically to keep them up, keep them running.

Q. Okay. Now, you mentioned previously LATAS and switches, and I think you used the word hubs?

A. Used the word what?

* * *

[47] signing your declaration?

A. I think Oren took it upon himself to make e-mails magically appear on peoples' pagers. I remember he and I had a good friendship while we were

working there, we had the same frustrations with the people there and we liked to have really long lunches, and we thought, or Oren came up with the idea we should send our e-mails to the pagers, how do we do it, and that's how the whole conversation of data formats came up.

Q. Okay. Now, you've referenced e-mails before and you've referenced an internal Telefind e-mail system?

A. Right,

Q. What was that?

A. Two separate things; internally everybody with a computer could send a message to somebody else with a computer. You have to remember this is prior to Internet, Bitnet, and all the other common networks. We had an e-mail package called AT&T Mail Access plus, which allowed anybody with a computer hooked up to the internal network to send a message to somebody else on the internal network.

Q. Did you have AT&T Mail Access Plus when you joined Telefind?

A. No.

* * *

[91] – let me start with Tom Compana [sic], did Tom Compana [sic] ever say he invented sending e-mails to a pager?

MR. ANDERSON: Objection, hearsay.

A. I never heard him say it.

Q. Did you hear anyone at ESA or Telefind ever claim that Tom Compana had come up with sending e-mails wirelessly to the pager?

MR. ANDERSON: Objection, hearsay, speculation.

A. I never heard him say that.

Q. And did you see Oren congratulated at Telefind for creating and inventing this wireless e-mail system?

A. Yes.

Q. The equipment that was in use at Telefind do you know if that was owned by Telefind as opposed to leased?

A. It may have been leased. I'm not sure. I really don't know.

Q. Okay. And did anyone ever say to you one way or another whether or not they even cared if you did some kind of a non-company project on the computers at Telefind be they leased or purchased?

MR. ANDERSON: Objection, hearsay, speculation, foundation.

[92] A. No one ever said anything.

Q. Okay. And did you have an employment contract with Telefind?

A. No.

Q. Do you know who installed the e-mail system on the Telefind computers? I'm referring to the whatever you call it the AT&T Access Plus?

A. Oren.

Q. Okay. I think I'm about finished. Just give me a minute here. We can go off the record?

THE VIDEOGRAPHER: Off the record 11:37 a.m.

(A brief recess was taken)

THE VIDEOGRAPHER: Back on the record. It's 11:46 a.m.

BY MR. CONWELL:

Q. You said on direct examination that you recall that Mr. Tavory started as a consultant at Telefind in late '89 or early 1990, and what I want to ask is, do you recall the discussion that you had with Mr. Tavory where he introduced this idea of, for convenience sending e-mails wirelessly to your pagers as occurring shortly after he started?

A. I don't know if it was shortly after he started or a couple of months later. I don't recall the [93] time frame.

Q. Okay. Do you believe it was within a couple of months of when he started?

A. Yeah, thereabouts. It wasn't the first day.

Q. Clearly not the first day. I should have been more specific when I used the word shortly I guess. So if he started late '89 then you believe that discussion would have occurred within the first quarter of 1990?

A. It makes sense.

Q. Meaning sometime between January and March?

MR. ANDERSON: Objection, speculation.

A. Could be. The best answer I could give, there could be.

Q. Okay. Your recollection is he started there late '89 or early '90 and within a couple of months of starting you all had the discussion wherein he introduced this idea of sending e-mails wirelessly to a pager?

A. Yes.

Q. Within a couple of weeks after that you all had the ability to do that?

A. We had limited ability and then a little while later it was readily available.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF VIRGINIA
ALEXANDRIA DIVISION

CASE NO. 3:06 CV 628

OREN TAVORY,

Plaintiff,

vs.

NTP, INC.,

Defendant.

- /

VIDEO DEPOSITION OF THEODORE ANDROS

March 9, 2007
9:00 a.m. – 4:05 p.m.

Esquire Deposition Services
1819 Main Street, Suite 250
Sarasota, Florida

- - - - - - - - - - - - - - - - -

Reported By:
KAREN WINN, RPR
Notary Public
State of Florida at Large
Esquire Deposition Services – Tampa, Florida
813-221-2535 (800-838-2814)
Job No.: N859559

* * *

[33] A Well, I can't specifically recall a date; it's just simply been too long ago. But to the best of my recollection it would have been early 1990.

Q What do you mean by the word "invented?"

A Well, he conceived of, of sending e-mails to his pager for the purpose – for several purposes, one of which was to receive the reports interrogating the status of the distribution network that we had.

Q Have you ever told anyone that he sent e-mails to receive the status reports before his conversation with you back in June 2006?

A Well, only at that time. I certainly discussed it with others in the company.

Q And when he talked to you in 2006, he told you that he sent these e-mails to receive these status reports, didn't he?

A He reminded me of that, sure.

Q Okay, and when you say the words quote, "a way to send e-mails from computers to pagers;" what do you mean by that?

A E-mails were generated on a computer and in a digital form sent to our network transmitted over the air and received by a then existing pager which was part of the Telefind.

Q Let's go back to the word "invented." You

* * *

[37] A No; it belonged to the public switch telephone network, to the telephone companies.

Q Okay. You're talking about the specific phone lines over which the message is transmitted?

A Yeah; I thought that's what you were talking about.

Q Certainly. Do you know what I mean by the term lata?

A Sure.

Q And that was that a part of the Telefind network?

A It was.

Q And that was owned by Telefind?

A The lata switches were owned by Telefind.

Q And the paging receivers on which the messages were received for the employees at Telefind that owned those – for the employees at Telefind, those paging receivers were owned by the company?

A Well, any of the internal employees that had a paging receiver were furnished that by the company.

Q Okay. That's fine. Now, in looking at your – at paragraph 4 of your declaration, you say Oren Tavory invented a way to send e-mails from computers to pagers?

A Uh-huh.

[38] Q What do you mean by e-mails?

A Well, e-mail was the stuff that is generally well known that is sent via computers on the Internet network between computers.

Q At Telefind, did you, yourself, use e-mail programs?

A Yes; I did personally.

Q What e-mail program?

A I can't remember. It was on Apple, an Apple computer and I don't remember.

Q Can you describe to me how did you start that e-mail program? How did you commence the use of it?

A Yeah; I can't remember what sort of program that was used. It was, you know, long before Internet Explorer and others of that nature.

Q Okay, and can you tell me what – once it was started, how did you operate that program? What did you enter into that program?

A Information, data; I don't understand.

Q Okay. You want to send a message to yourself –

A I started using e-mail even before Telefind was conceived frankly. I was using e-mail when I gained access very early on to the main computer at the University of Miami and that was a very complicated

* * *

[137] response to questions by Mr. Anderson that – Kevin Anderson not to be confused with the other – that it was well known at Telefind that Tavory had invented this e-mail pager system?

MR. ANDERSON: Objection; hearsay, speculation.

THE WITNESS: Yeah; it was well known to – Oren demonstrated it. He wrote the software in order to interrogate the network in switches initially so he could get it on his pager and it was obvious that this really needed integrating into our system and that it was a wonderful new access to the network and paging off of computers and the Internet, and he demonstrated it and used it personally initially. But subsequently, it was incorporated into – to be incorporated into the Telefind network.

BY MR. CONWELL:

Q And so put another way, was it any secret at Telefind that Mr. Tavory had invented this e-mail to pager technology?

MR. ANDERSON: Objection; speculation, hearsay.

THE WITNESS: It was not a secret; everyone knew about it.

[138] BY MR. CONWELL:

Q How do you know – he says it's speculative for you to say that; how do you know that?

A Well, because we talked about it; we had discussions about it; it was demonstrated. Tavory was using it personally, showing everybody that it worked and then subsequently, I used it personally and I had my secretary send us, send me pages and parts of the system that were operating that I could receive them.

Q What was her name?

A Beverly, Beverly something.

Q Chester?

A Chester. Thank you.

Q Okay, and I mean, was this the kind of thing that was so well known that Campana could have heard about it?

A Sure; Campana heard about it; absolutely.

Q How do you know that Campana heard about it?

A Well, he was just part of the whole activity. He was part of the operation. He was involved at that point in time on a day-to-day basis of Telefind in Miami and up at his place and out in the field trying to get switches to working and all at the same time trying to contact potential investors. He was, boy, he was involved, I'll tell you.

* * *

[144] wrote the software part of it.

Q Okay, and did, did you ever discuss with Andy Andros that Mr. Tavory had invented or created this method of sending e-mail to pager?

A Well, we acknowledged it between each other. I can't specifically say we sat down and said listen, Oren, but yeah; there were discussions acknowledging that.

Q Okay. I've just been given a note by the videographer that he's going to have to change his tape so why don't we use this as a breaking point.

THE VIDEOGRAPHER: Going off the record at 1:10.

(Recess taken from 1:10 to 2:25 p.m.)

THE VIDEOGRAPHER: This is tape No. 4 in the continued videotaped deposition of Theodore Andros. We're back on the record at 2:25.

BY MR. CONWELL:

Q Earlier, we were talking about you hiring consultants to analyze the problems with the Telefind system which you have described, and you said that the consultant said that it could be fixed and that they could fix it. And I wanted to know how much they estimated it would cost to fix it?

A You know, we didn't ever get down to a final

* * *